

# DAILY REPORT

## Asia & Pacific

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Friday's vote on New Caledonia came at the end of a five-year campaign spearheaded by neighbouring Vanuatu whose people are of similar Melanesian stock.

New Zealand Prime Minister David Lange told journalists that relisting New Caledonia with the U.N. Committee would enable member-nations of the United Nations to raise the subject in speeches to the General Assembly early next year. He earlier had indicated that New Zealand was dropping its previous opposition to the relisting because of its reservations over the Pons plan, a course also followed by Australia and Fiji.

#### France Pressed on Plebiscite

HK110245 Hong Kong AFP in English 0230 GMT 11 Aug 86

[Text] Suva, Aug 11 (AFP) -- South Pacific leaders Monday warned France to conduct an acceptable plebiscite on independence in New Caledonia or risk creating further problems in the territory. A joint communique issued after a four-day meeting here of the South Pacific forum concluded that the change in French policy towards New Caledonia over the past year was a "significant backward step." "While the forum acknowledged that there were some positive aspects to the approach of the new French Government, they did not, in its view, adequately recognise the aspirations of the Kanak people." The 13-member forum noted that the French Government remained committed to an early plebiscite in New Caledonia. "It concluded that if the results of the plebiscite ruled out the prospect of independence, this was likely to exacerbate rather than resolve problems in the territory."

The communique said that the forum had asked the United Nations Committee on Decolonisation to have New Caledonia re-inscribed to ensure that the U.N. regularly reviewed the territory's progress towards self-government and independence. It also said that Fiji, as a member of the so-called Committee of Twenty-Four, recommend re-inscription to the U.N. General Assembly. It further requested Vanuatu, as the only forum member belonging to the Non-aligned Movement, to seek the movement's support at a forthcoming meeting in Harare.

Nothing that France had recently moved to have talks with individual forum members on New Caledonia, the communique expressed the hope that this would be undertaken.

The communique expressed optimism that the world nuclear weapons powers would endorse protocols to the South Pacific nuclear free zone treaty. These protocols prohibit signatories from using or threatening to use any nuclear device against any treaty members or anywhere in the nuclear free zone. "The forum finalised the protocols to the treaty and agreed that they should be opened for signature when the treaty came into force or on December 1, 1986, whichever came first," the communique said. The revised protocols included a "specific withdrawal clause to enable signatories to the protocols to withdraw in the event of any unforeseen circumstances arising which would jeopardise their national interests. This withdrawal clause, which was not included in the communique, allows each signatory to withdraw its commitment by giving three months advance notice, such notice to include a statement of the extraordinary events it regards as having jeopardised its supreme interest. "The forum noted with pleasure that some states eligible to sign the protocols had already indicated that signature would receive prompt and favorable consideration." No specific reference was made about France, which is considered unlikely to sign the protocols because of its continued underground nuclear test program at Mururoa atoll in French Polynesia.



Outside the conference forum leaders previously had said that China and the Soviet Union would definitely sign the protocols while the other two nuclear powers, Britain and the United States, were likely to follow suit as a result of the new escape clause. The forum reiterated its view that the treaty was a significant addition to the existing arms control and disarmament regime and would make an important contribution to protecting the region's favourable security environment. Four further ratifications by forum members are required before the treaty, initiated by Australia in 1983, can take effect. Australia and New Zealand will ratify the treaty over the next few weeks with Kiribati and Western Samoa expected to provide the last two ratifications.

The forum also reaffirmed its strong opposition to the dumping of all radioactive waste at sea and all nuclear testing.

Additionally, the forum urged prompt termination of the United States' trustee agreement over Micronesia in accordance with a resolution of the U.N. trusteeship council last May.

The forum expressed dismay that the South African Government "has shown no willingness to undertake fundamental reforms or to initiate genuine negotiations with blacks about South Africa's future."

#### S. PACIFIC FORUM SEEKS U.S. FISHING DEAL

HK090752 Hong Kong AFP in English 0715 GMT 9 Aug 86

[By Ian Pedley]

[Text] Suva, Aug 9 (AFP) -- South Pacific leaders offered no bait to further Soviet expansion in the region when they agreed here Saturday to pursue a joint fishing deal with the United States. The U.S. Tuna Boat Association's failure to come to terms on fishing rights has been some South Pacific nations go it alone in separate negotiations with the Soviet Union. [sentence as received]

A meeting here of the 13 South Pacific Forum nations voted to continue their attempts to break a deadlock over fishing fees. The forum spokesman, Solomon Islands Prime Minister Sir Peter Kenilorea, said there had been mixed feelings over the lack of progress, but the question of separate agreements with the Soviet Union had not been discussed.

However, New Zealand Prime Minister David Lange later suggested that the United States was already offering far more than the potential catch was worth in a bid to keep the Soviets out. "They are bidding to have a lack of competition for maritime space in the Pacific," Mr. Lange told New Zealand journalists. Asked if superpower rivalry had been reduced to the price of fish, Mr. Lange replied: "Yes. If your only enemy is a tuna, then I'm with you, mate." To the suggestion that the offer could also be construed as an aid package, Mr. Lange said: "You couldn't call it anything else."

Until recently, the United States and its fishermen had refused to recognise the 200-mile economic zones of the Pacific on the grounds that the tuna is a migratory species. But forum officials said the United States had since stepped up its offer to 37.5 million U.S. dollars for a five-year regional fishing pact during the latest discussions in Rarotonga in the fifth round of talks this year. The forum's fishing agency is seeking 16.5 million dollars a year.

The tiny nation of Kiribati last year became the first Pacific nation to grant fishing rights to the Soviet Union, with a one-year agreement worth a reported 1.5 million dollars. Vanuatu is reported to be on the verge of an agreement that may also include shore facilities, which has caused some concern in Western quarters.

Sir Peter said the fact that the forum had not discussed Soviet activities did not necessarily mean there was no concern among the members. He said the question of Soviet shore rights simply had not arisen. Sir Peter also said no reference had been made to the new Asia-Pacific initiative announced by Soviet leader Mikhail Gorbachev July 28 in Vladivostok.

He confirmed that a resolution seeking New Caledonia's relisting with the United Nations Committee on Decolonisation had been sent to New York Friday.

Commenting on a breakthrough with the South Pacific nuclear free zone treaty, he said he believed most of the world's nuclear powers would react favorably. Mr. Lange announced Friday that only France was unlikely to endorse the protocols to the treaty. Asked Saturday about reports that neither Britain nor the United States would confirm any such endorsement, Mr. Lange said they naturally needed to see the revised protocols first.

Forum leaders Saturday completed their official business and went off to a private weekend retreat at a Fijian coastal resort. They will return here Sunday evening and issue a formal communique Monday. The meeting began Friday.

LANGE: U.S., UK ENDORSE NUCLEAR-FREE ZONE

HK081100 Hong Kong AFP in English 1035 GMT 8 Aug 86

[Text] Suva, Aug 8 (AFP) -- Britain and the United States are likely to endorse a treaty declaring the South Pacific a nuclear-free zone, leaving France in an isolated position in the region, New Zealand Prime Minister David Lange said here Friday. The Soviet Union and China have previously indicated interest in signing protocols to the treaty, but Mr. Lange's disclosure of U.S. and British intentions came as a surprise. Mr. Lange told journalists at a meeting in Suva of the South Pacific Forum -- which groups 13 independent nations in the region -- that the development represented the first break in the relationship between the Western-oriented nuclear powers. "It is thought to be expected now that China, the Soviet Union, the U.S. and the United Kingdom will agree to honour the protocols," he said.

The protocols to the South Pacific nuclear-free zone treaty oblige signatories not to manufacture, test or store nuclear weapons in the South Pacific, nor to use them or threaten to use them in the region. Ten of the forum nations have signed the treaty and Mr. Lange said he expected the eight ratifications necessary for it to be sent to the United Nations would be completed next month. He said France, through its continued nuclear testing at Mururoa Atoll in French Polynesia, "would be in conflict with the protocols and out on its own." "It will serve to make it absolutely obvious that France remains the sticking point and that the (Western) nuclear solidarity ... is not extended to protect France on this occasion -- that's very significant."

Asked why he expected the other nuclear powers to sign the protocols, Mr. Lange replied: "Because they have indicated that they would."

"They are still considering it and would be considering it for a very great deal of time if there were no provisions made that have now been done. Now with the expectation given through signals from them before and the adjustments which have been made here, one can look forward to a positive response from them."

Mr. Lange said the changes being finalised by the forum to the protocols would basically allow the nuclear power signatories three months notice of withdrawal from their obligations if they were given cause. Only Vanuatu, the Solomon Islands and Tonga have not signed the treaty -- the former two because they believe it is too weak and the latter because it considers it too strong. The treaty bans members from the manufacture, storage or use of any nuclear weapons, prohibits the dumping of any nuclear waste but does not prevent the passage of any nuclear warships through the zone. Solomon Islands Prime Minister Sir Peter Kenilorea, the forum spokesman, said the meeting Friday had agreed that all current signatories should now proceed to ratification of the treaty, although Papua New Guinea has said it will not take this final step.

#### LANGE DOUBTS U.S. WILL TRY TO UNDERMINE REGIME

HK110658 Hong Kong AFP in English 0650 GMT 11 Aug 86

[Text] Suva, Aug 11 (AFP) -- New Zealand Prime Minister David Lange said here on Monday he did not believe the United States would try to undermine his anti-nuclear government to bring his country back into the Australian, New Zealand and U.S. (ANZUS) defence fold. Mr. Lange told a news conference he expected talks in San Francisco on Monday between Australia and the United States to result in both countries continuing their alliance under the broad name of ANZUS. "The outcome of San Francisco will be, I think, that the U.S. will in a tone more of sorrow than of anger announce it has withdrawn its so-called security guarantee from New Zealand," said Mr. Lange. "The ANZUS treaty will be terminated, which is a prophecy I made some two years ago."

Mr Lange said he did not think the United States would attempt to bring about the downfall of his government. The New Zealand government's strong anti-nuclear stand has led Washington to declare inoperative its 35-year-old ANZUS commitment to New Zealand. New Zealand's opposition national party has promised to reverse the Lange government's ban on visits by nuclear warships if it is returned to office.

Asked if the U.S. Central Intelligence Agency (CIA) might try to destabilise his government, Mr. Lange replied: "I don't accept that it is any part of American strategy to have them operate in that way in New Zealand." He added: "It would certainly play into the government's hands were it to do so."

Mr. Lange said it was entirely up to U.S. Secretary of State George Shultz and Defence Secretary Caspar Weinberger to decide at the San Francisco meeting if the United States would make it tougher for Australia to cooperate militarily with New Zealand in the way it had done for over half a century. But he said it could not be in the United States' interest to have New Zealand reduced to a lower capacity in the Pacific theatre.

"New Zealand has a maritime surveillance role, it has a role with respect to the invigoration of the exclusive economic zones, which is broadly what I call western security interests," he said. "I cannot see how it suits the interests of Australia or the U.S. to see that capacity reduced."



Mr. Lange said there "will be an inevitability that Australia and New Zealand will renew their talks after our defence review." He added: "So I expect to see essentially under the broad name of ANZUS two partners, Australia and the U.S., acknowledging that they are working under it, and New Zealand and Australia saying that they are working together in defence terms but without referring to the word ANZUS."

#### NEW ZEALAND'S ROLE OUTSIDE ANZUS VIEWED

##### Melbourne Cites Lange

BK110715 Melbourne Overseas Service in English 0430 GMT 11 Aug 86

[Text] New Zealand's prime minister, Mr Lange, says United States and Australia are likely to formally exclude his country from the ANZUS defense alliance when officials from the two countries meet in talks in San Francisco. He said, however, that once out of the 3-nation ANZUS alliance, he expected New Zealand to maintain its close defense relationship with Australia. Speaking in Suva where he is attending the Pacific Forum meeting, Mr Lange said he believed Australia's foreign minister, Mr Hayden, and defense minister, Mr Beazley, would tell the United States that defense ties between their country and New Zealand would remain close. But Mr Lange added that Washington may try to force Australia to break off the relationship.

[Begin Lange recording] The United States could well put conditions on Australia which would affect or compromise the ability of Australia to have a military relationship with us. It is perfectly plain to me that Australia sees its relationship with the United States military as being more important than its relationship to New Zealand military. [end recording] New Zealand's prime minister, Mr Lange.

Mr Hayden and Mr Beazley have been holding informal talks with their American counterparts, the Secretaries of State and Defense, Mr Shultz and Mr Weinberger, in San Francisco ahead of the annual ANZUS meeting tomorrow. Radio Australia's North American correspondent, Jim Middleton, says they have been working out final details of a document detailing defense arrangements involving only Australia and the United States.

##### Australia's Bowen on Ties

BK080940 Melbourne Overseas Service in English 0830 GMT 8 Aug 86

[Text] The deputy prime minister, Mr Lionel Bowen says Australia's defense ties with New Zealand will remain strong although there are differences between Wellington and the United States. Mr Bowen gave the commitment after the opening ceremony of the South Pacific Forum which he is attending in the absence of the prime minister, Mr Hawke. America no longer regards New Zealand as a close ally because of the Lange Government's refusal to allow nuclear-powered or -armed warships into its ports.

Mr Bowen said Australia-New Zealand bilateral defense agreements would remain as strong as ever all the time. He said Australia had no problem with New Zealand. Mr Bowen also said he understood the reasons for the Pacific island nations signing agreements with the Soviet Union. He said those nations wanted to improve their standard of living and their economy. However, he said that if the Soviet Union wished to establish anything more than fishing bases on those islands it would be a matter of concern.



VANUATU POLITICKING, LANGE PULLOUT THREAT AT FORUM

HK110547 Hong Kong AFP in English 0541 GMT 11 Aug 86

[Text] Suva, Aug 11 (AFP) -- New Zealand Prime Minister David Lange threatened on Monday to pull his country out of the South Pacific Forum if it became a political platform for Vanuatu's prime minister, Father Walter Lini. Mr Lange took issue with Fr Lini at the end of four-day meeting here of the forum's 13 member-nations.

Fr Lini told a news conference that having referred the question of New Caledonian independence to the United Nations, the forum should look at French Polynesia, Wallis and Futuna Islands, Irian Jaya and perhaps East Timor. He also indicated that next year he would ask the forum to recognise the Palestine Liberation Organisation (PLO) and the Southwest Africa Peoples' Organisation (SWAPO) to give it a common stance at the United Nations, the Non-Aligned Movement and other interested bodies.

But Mr Lange told journalists later the forum should deal more with social and economic issues in its own region. "If it is going to be a mini-United Nations, we will not be coming," he said.

Of the likelihood of Vanuatu signing a fishing deal with the Soviet Union, Fr Lini said such a deal was "getting very close...it could be today." He said none of the other members of the forum had expressed concern to him about the possibility of Vanuatu according the Soviet Union shore facilities.

JAPAN CONTINUES DEBATE ON SDI PARTICIPATION

OW081101 Tokyo KYODO in English 1050 GMT 8 Aug 86

[Text] Tokyo, Aug 8 KYODO -- A cabinet task force held a fourth brainstorming session Friday over Japan's participation in the U.S. strategic defense initiative (SDI) project and officials hinted a conclusion was near. Officials said the meeting focused on implications of Japanese participation and a 1969 Diet resolution banning military exploitation of Japan's space development efforts. "We don't think participation in the research phase of the SDI program will violate the Diet resolution," a government source said.

Chief Cabinet Secretary Masaharu Gotoda, who chaired Friday's session, said he would like to call another session late this month or early next month to reach a conclusion "one way or the other." In a speech Thursday, Gotoda said he foresaw a "positive" conclusion from the ministerial task force.

Reacting to Gotoda's remarks, Prime Minister Yasuhiro Nakasone maintained his government is still studying the matter and said he doesn't know when a final decision will be taken.

Political sources say the government hopes to have the decision in time for Defense Agency Director-General Yuko Kurihara's scheduled September 2-8 visit to the United States. Kurihara, a member of the SDI ministerial group, is traveling to Washington at the invitation of U.S. Defense Secretary Caspar Weinberger and Japan's participation in the SDI research project is expected to figure in the agenda of their talks.

Apart from Gotoda and Kurihara, other cabinet members who took part in the meeting included Foreign Minister Tadashi Kuranari, the minister of international trade and industry and the director-general of the Science and Technology Agency. It was the first gathering since Nakasone inaugurated a new government following the ruling Liberal-Democratic Party's landslide election victory in July.

West German and some other U.S. NATO allies have agreed to take part in the project, and the so-called "West German" model has been cited as a formula which Japan may follow. West Germany allows the private sector to undertake SDI-related research on behalf of the Pentagon while the government itself stays away from the program.

Government sources say Japan hopes to work out an agreement with the United States this year on ground rules for Japan's participation, including proprietary rights to research achievements and flowback of technology to Japan.

The ministerial task force was set up in April, a month after a government fact-finding mission recommended Japan take part in research work on the SDI project. Politics apart, "research work on the SDI project is important for Japan's high technology," said Bunsei Sato, a former minister of posts and telecommunications.

NAKASONE ON VISIT TO SHRINE; 'NEW JERSEY'S' CALL

OW090809 Tokyo KYODO in English 0750 GMT 9 Aug 86

[Text] Nagasaki, Aug 9 KYODO -- Prime minister Yasuhiro Nakasone hinted Saturday that he will not make an official visit next week to Tokyo's Yasukuni Shrine, which is dedicated to the war dead, because of the effect such a visit might have on Japan's international relations.

Nakasone said at a press conference here, "Although the ruling Liberal-Democratic Party has strongly urged me to visit the shrine in an official capacity, it is important to consider Japan's position in the international community."

Nakasone's remark was interpreted as meaning that he does not intend to visit Yasukuni, where convicted war criminals are among those enshrined, because it might lead to a deterioration in diplomatic relations with China, South Korea and other neighboring countries.

Nakasone visited the shrine in official capacity on August 15 last year, which marked the 40th anniversary of the end of World War II, and there has been speculation that he might make another visit on this year's anniversary. China strongly denounced Nakasone's visit last year as indicating the danger of a revival of Japanese militarism.

Referring to the possibility of an official visit to Japan by Soviet leader Mikhail Gorbachev, Nakasone said the government will continue to try to help realize Gorbachev's visit to Japan between December and the end of January next year, as Foreign Minister Takashi Kuranari had earlier indicated.

Asked about Japan's reaction to a proposed port call in Japan by the U.S. battleship "New Jersey," the prime minister said that the U.S. has not yet informed Japan of which port the ship may visit. "We are greatly concerned with the port of call because the ship is capable of both nuclear and nonnuclear deployment. The government is prepared to have consultations with the U.S. side prior to the port call, if necessary," Nakasone said. The New Jersey is expected to make a port call at Sasebo, Nagasaki Prefecture, in August or September. The government does not officially allow port calls by any U.S. warship deployed with nuclear arms.

Touching on government assistance to enable South Korean atomic bomb survivors to receive medical treatment in Japan, Nakasone said that he personally feels sympathy with such people and the government will continue consultations on the matter with South Korea. The Korean victims, who were among those brought to Japan as forced labor during Japanese colonial rule of Korea between 1910 and 1945, are now estimated at 20,000. The Japanese Government pays the medical cost of the Koreans under a 1981 bilateral agreement which is due to expire in November. The South Korean Government, which has been paying the survivors' transportation costs to come to Japan, had indicated that it does not wish to continue the arrangement, and that the survivors can receive treatment in South Korea.

MINISTERS TO VISIT SHRINE

OW080819 Tokyo KYODO in English 0746 GMT 8 Aug 86

[Text] Tokyo, Aug 8 KYODO -- Nine cabinet ministers said Friday they will visit Yasukuni Shrine where Japanese war dead and 14 convicted war criminals of World War II are enshrined, on August 15, the 41st anniversary of the end of that war.



They are Education Minister Masayuki Fujio, International Trade and Industry Minister Hajime Tamura, Transport Minister Ryutaro Hashimoto, Construction Minister Kosei Amano, Home Affairs Minister Nobuyuki Hanashi, Director General of the National Land Agency Tamisuke Watanuki, Director General of Defense Agency Yuko Kurihara, Director General of the Economic Planning Agency Tetsuo Kondo, and Director General of the Science and Technology Agency Yataro Mitsuhashi.

The other ministers said that they have not yet decided to visit the shrine or that they will make their decisions after the government comes to a conclusion on the matter.

Prime Minister Yasuhiro Nakasone has already indicated that he will not visit Yasukuni this year. Nakasone's official visit to the shrine last year -- as the first postwar prime minister to do so -- sparked an international controversy, with China being especially critical.

#### OFFICIAL ON SOUTH AFRICA'S COUNTERSANCTIONS

OW081125 Tokyo KYODO in English 1108 GMT 8 Aug 86

[Text] Tokyo, Aug. 8 KYODO -- Japan expressed regret Friday over South Africa's "counter-economic sanctions" recently imposed on Zambia and Zimbabwe. The regret was conveyed by Wasuke Miyake, director general of the Middle Eastern and African affairs bureau of the foreign ministry, to J.F. Wentzel, South Africa's consul general in Tokyo. Miyake told Wentzel the punitive measures will have a serious effect on the economic situation of other neighboring African countries and that they are against Japan's policy seeking a peaceful solution of South African problems, including apartheid.

The Pretoria government said Tuesday it will impose special deposits on all exports via South Africa from Zambia and Zimbabwe to third countries. Wentzel told Miyake the measures are only "technical" in accordance with international trade practice. He said he will convey the Japanese regret to his home government.

The foreign ministry told Katsumi Sezaki, Japanese consul general in Pretoria, the same day he should also convey the regret to the South African government.

#### JULY EXPORTS UP IN DOLLAR TERMS, DOWN IN YEN

OW111113 Tokyo KYODO in English 1049 GMT 11 Aug 86

[Text] Tokyo, Aug. 11 KYODO -- Japan's contract-based exports in July scored a sharp increase in dollar terms but suffered a steep fall in yen terms from a year earlier, the ministry of international trade and industry reported Monday. July exports in terms of traders' reports to customs totaled 18,033 million dollars, up 25.5 percent from July last year. But in yen, they were down 15.1 percent from a year earlier at 3,047.1 billion yen. The decrease in yen value was attributed to the yen's continued appreciation against the U.S. dollar. The ministry also said July imports in terms of traders' reports to foreign exchange banks totaled 8,574 million dollars, down 7.6 percent from July last year. In yen, July imports were down 37.5 percent at 1,448.8 billion yen.

Automobile exports scored a 27.1 percent increase, reflecting soaring exports to the European community. Video tape recorders were up 37 percent, semiconductors 53.7 percent, computers 51.6 percent and steel 2.5 percent.



By area, exports to the EC jumped 72.2 percent, those to Southeast Asia 41.3 percent and those to the United States 25.2 percent. Exports to oil-producing countries and China decreased sharply.

Imports of crude oil declined 56.5 percent, iron ore 31.9 percent and raw cotton 19.5 percent. Imports of raw materials and fuels as a whole decreased 29.8 percent.

Among manufactured goods, automobile imports advanced 81.4 percent, textile 38 percent, and those of large planes showed a 2.1-fold jump. Foods also gained 17.4 percent.

#### Record Monthly Trade Surplus

OW110947 Tokyo KYODO in English 0930 GMT 11 Aug 86

[Text] Tokyo, Aug. 11 KYODO -- Japan's trade surplus hit a record monthly high of 8.22 billion dollars before seasonal adjustments in July compared with a 4.60 billion dollar surplus a year before, the finance ministry said in a preliminary report Monday. The previous record surplus of a revised 7.55 billion dollars was registered in May.

Customs-cleared exports hit a record high of 18.87 billion dollars last month, up 23.4 percent over July 1985, while imports totaled 10.65 billion dollars, down 0.4 percent, the report said. Behind the steep export surge was the continued effect of the yen's appreciation, which automatically inflated the dollar value of yen-denominated exports, ministry officials said.

Japan's trade surplus with the United States on a customs clearance basis came to 4.52 billion dollars, the second largest ever, following a record high of 4.76 billion dollars in April, it said.

Japan's overall exports of automobiles soared 24.9 percent and auto parts 61 percent over the same month last year to 3.92 billion dollars and 724 million dollars respectively. But its imports of crude oil plunged 57.2 percent to 1.07 billion dollars due to sharply lower prices, contributing to the marginal decline in July's overall imports.

Exports to the U.S. showed a 28.5 percent year-on-year increase to 7.48 billion dollars due to rises in shipments of office equipment, semiconductors and automobiles, the report said. Imports from the U.S., Japan's largest trade partner, jumped 39.0 percent to 2.96 billion dollars, boosted by purchases of three planes and gold.

Japan's exports to the European community (EC) expanded and shot up 66.9 percent from a year earlier to 2.82 billion dollars, and imports from the EC also soared 55.1 percent to 1.26 billion dollars, leaving a trade surplus of 1.56 billion dollars for Japan, the second largest monthly figure following a record high of 1.60 billion dollars in March.

Japan's exports to nine Asian countries and regions -- South Korea, Taiwan, Hong Kong, India and five of the six members of the Association of Southeast Asian Nations (ASEAN) -- rose sharply -- 38.8 percent -- to 3.82 billion dollars, while those to China declined 25.2 percent to 930 million dollars.

REPORTAGE ON 5, 8, 9 AUG DMZ SHOOTING INCIDENTS

## 5 Aug Incident Blamed on U.S.

SK090722 Pyongyang Domestic Service in Korean 2155 GMT 8 Aug 86

[NODONG SINMUN 9 August commentary: "A Thief Shouts 'Stop Thief!'" ]

[Text] As has already been reported, on 5 August South Korean Army troops committed military provocations by firing hundreds of large-caliber machinegun rounds at our side's outpost from a spot in the DMZ in the middle sector of the frontline. On 6 August, our side's senior member to the MAC lodged a stern protest against the U.S. side in connection with this and strongly demanded that the U.S. side take responsible action to prevent the recurrence of such an incident. Instead of apologizing to our side and pledging to prevent the recurrence of such an incident, the U.S. side made preposterous remarks.

On 6 August, the U.S. forces command occupying South Korea denied our claim and announced that the North side's outpost fired first, and that it only fired in response to the firing. Chiming in with this announcement the next day, the spokesman of the U.S. Department of Defense conducted false propaganda in the same way. The U.S. imperialist aggressors raved that this was confirmed through an investigation into the incident. This reminds us of a proverb where a thief shouts "Stop Thief!"

The so-called investigation allegedly confirmed by the U.S. imperialist aggressive forces command occupying South Korea was conducted with puppet army troops, which had committed armed provocations against our side in the DMZ as the target. By choosing the puppets, the executors of the provocations, as a witness, the U.S. imperialists have revealed that they actually concocted the recent shooting incident.

After committing the provocations, they have raved that the opposite side committed provocations. This is a hackneyed method the U.S. imperialists have always used. The U.S. imperialists boisterously babbled about someone else's provocations when they committed espionage by infiltrating the armed spy ship Pueblo deep into the territorial waters of our country, and when they carried out hostile activities by infiltrating the large EC-121 reconnaissance plane deep into the territorial airspace of our country. The U.S. imperialists acted the same way at the time of the 18 August incident at Panmunjom. Having provoked a war in Korea 36 years ago, the U.S. imperialists tried to shift responsibility for this onto us. Historical facts indisputably show who has been committing military provocations.

We recently advanced a proposal for holding talks between persons in military authority from the DPRK, the United States, and South Korea to prevent the danger of war in Korea and to alleviate tension. We have exerted efforts to implement this proposal. Instead of responding to our peace proposal, the U.S. imperialists and South Korean puppets have caused the people at home and abroad -- who desire lessened tension in Korea -- to deeply worry by increasing military capabilities, by repeatedly kicking up war exercise rackets, and even by touching off a shooting incident in the DMZ.

The U.S. imperialists' attempts to conduct false propaganda is a maneuver to avoid at any cost the denunciations at home and abroad of them as a ringleader that has heightened tension in Korea. The U.S. imperialists' act of shifting responsibility for armed provocations onto us after instigating the puppets to commit them and after refusing to make an apology is an unusual attempt.

Today the majority of the U.S. imperialist aggressive forces and the puppet army have been deployed in forward areas along the Military Demarcation Line. They are seeking an opportunity for a northward invasion. Large quantities of emergency materials have been stockpiled in South Korea for use in wartime.

The recent provocative incident, which has coincided with frequent references to the completion of war preparations between the U.S. imperialist aggressive forces and the bosses of the puppet military, is by no means accidental. While heightening tension by strengthening hostile activities along the demarcation line, they are seeking an excuse to provoke a new war. With high vigilance, we are watching the U.S. imperialists' and South Korean puppets' provocative maneuvers, which have become much more reckless with the passage of time.

#### 8 Aug Incident Protested

SK081408 Pyongyang Domestic Service in Korean 1330 GMT 8 Aug 86

[Text] Here is news just in. There is news just in. The South Korean puppet army once again has committed grave military provocative acts at the central frontline. Twice today, at around 1717 and 1936, the puppet South Korean Army committed provocative military acts by firing several 12.7-mm large caliber machinegun and M-16 automatic rifle rounds at a spot 1,250 meters south of Military Demarcation Line marker 0572 on the central frontline where one of our guard posts is located in the opposite side.

In this connection, the senior member of our side has sent a protest message to the enemy side. In the protest message he said: The enemy's military provocation acts are a violent violation of the armistice agreement as well as deliberate and intentional criminal acts that strain the situation inside the demilitarized zone.

He stressed that he has no choice but to regard as serious the fact that -- despite the South Korean puppet army having received our side's strong protest in connection with their firing several hundred rounds at our side's guard posts on 5 August -- they have again fired on the same spot. The senior member of our side protested strongly against the enemy act and demanded that the enemy side take responsible measures to prevent such incidents from occurring again. The enemy should look squarely at the situation created in the demilitarized zone and act judiciously.

#### 9 Aug Incident Protested

SK091506 Pyongyang Domestic Service in Korean 1429 GMT 9 Aug 86

[Text] At around 2035 today, the puppet South Korean army fired dozens of rounds of 11.7-mm large-caliber machinegun and M-16 automatic rifle fire at one of our guard posts from a spot 1,250 meters south of Military Demarcation Line marker 0572.

In this connection, the senior member of our side sent a message of protest to the enemy side. In the message, stating that the enemy recently has committed similar acts of military provocation at the same spot in succession as a deliberate and intentional criminal act aimed at artificially exacerbating the situation by dragging us into incidents, he noted that we have no choice but to pay serious attention to this.



The senior member of our side then sternly protested against the enemy's continued acts of firing against us and strongly demanded that the enemy side take responsible measures so that such military provocations will not occur again. The enemy should look squarely at the situation created in the Demilitarized Zone and act discreetly.

JOINT STATEMENT BY DELEGATIONS TO N-S TALKS

SK110109 Pyongyang Domestic Service in Korean 2100 GMT 10 Aug 86

[Joint statement issued 10 August by the spokesmen for the DPRK delegations to the North-South economic, Red Cross, and parliamentary talks]

[Text] The North-South talks, which had been conducted amid great expectations and concern from the people at home and abroad, have not been held for 8 months since the beginning of this year. This greatly disappoints all fellow countrymen and the world's peace-loving people who hope for detente [wanhwa] peace, and progress on dialogue in our country.

Despite our repeated efforts to resume the North-South talks, they still remain in a state of suspension entirely because of persons in authority in South Korea who, together with the United States, are spoiling the atmosphere of the talks by aggravating the tension in the country with reckless war and confrontation rackets.

As is widely known, we have shown complete sincerity and made every possible effort to resume and normalize the various forms of talks which had been suspended because of the "Team Spirit-86" joint military exercise, an extremely provocative exercise that the persons in authority in South Korea staged together with the United States.

Even at the time when the persons in authority in South Korea publicly declared -- in effect refusing talks -- that they would continuously strengthen the "Team Spirit" joint military exercise together with the United States, while further aggravating the tension in the country by kicking off in succession against us such large-scale war exercises as "Tiangbol-86" and "Piho-86" and by mobilizing a great number of troops, policemen, and civilian forces even before the "Team Spirit" joint military exercise that had suspended the North-South talks came to an end, we strongly called upon them to abstain from further spoiling the atmosphere of talks by immediately issuing a joint statement.

In particular, the KPA Supreme Command put forward an epochal peace proposal for holding talks between those who have real military power in the North and South as a practical measure to ease tensions on the Korean peninsula and eradicate the danger of an imminent [paktuhan] war there. This new peace proposal of ours is the most reasonable and practical measure and is capable of turning the tension in our country toward detente and peace and of rescuing the North-South talks, which are at the crossroads of resumption or rupture [chaekaewa kyollyolui kalimkil].

Had the United States and those in authority in South Korea responded, as a matter of course, to our serious efforts to resume talks and chosen to create a climate for talks, no doubt the North-South talks would have already been resumed and normalized. However, the United States and those in authority in South Korea have challenged us by further strengthening war rackets rather than responding to our sincerity with sincerity. And their policy of confrontation has become more vicious after our proposal for talks between military authorities was proposed.



While noisily prattling about the nonexistent threat of southward invasion, those in authority in South Korea have conducted such exercises of all-out war mobilization in all parts of South Korea as "Ulchi-86." Recently, those in high authority took the lead in creating war madness by such acts as directly checking the posture of mobilization for an emergency, babbling that the next few years are crucial or that the time has come to fight to the finish. Not content with this, they have even gone so far as to commit provocative acts of firing hundreds of rounds of gunfire at our side in areas close to the Ministry Demarcation Line.

Anticommunist lectures, anticommunist rallies, and tours inspecting the fierce battlefields and other such anticommunist campaigns that are being conducted almost every day across South Korea are an expansion of the provocative anticommunist confrontation racket that cannot be overlooked.

Branding even the assertions of the South Korean youths, students, and people -- who are promoting the anti-U.S. cause for independence and the antifascist cause for democratization -- leftist-leaning or identical with the North's slogans, those in authority in South Korea are unscrupulously committing such brazen-faced acts as tyrannically suppressing these people by linking them to us.

As a result, the tension that had reached an extreme point in the wake of the "Team Spirit-86" joint military exercise is becoming more aggravated with the passage of time and the grave obstacles that had driven the North-South talks to a state of suspension still remain unremoved.

We hold that the United States and the South Korean authorities -- as the responsible parties concerned who have driven North-South dialogue into suspension -- should create an atmosphere for the resumption and normalization of dialogue at the earliest possible date. In this connection, we consider that the United States and the South Korean authorities should immediately [sikuphi] take the following steps at this juncture:

First, they should accept without delay the new peace proposal advanced by the KPA Supreme Command in order to create an atmosphere for an early resumption of the Red Cross talks, the economic talks, and preliminary contacts for the parliamentary talks. The United States and the South Korean authorities should sincerely approach discussion and resolution of the immediate problems arising in eliminating the danger of war and alleviating tension, including the question of suspending such large-scale war exercises as the "Team Spirit" joint military exercises and arms buildup, the question of reducing armaments, and the question of observing the Korean Armistice Agreement as demanded by its original text.

Second, they should renounce frantic war provocation rackets and anticommunist confrontation, which is incompatible with dialogue and which run counter to national reconciliation and unity. The United States and the South Korean authorities should not stage war exercise rackets against us, wantonly conducting false propaganda about the nonexistent threat of a southward invasion and obstruction of the Olympics, and should drop all acts inciting the consciousness of national confrontation among the South Korean people.

Third, they should renounce suppression of the righteous struggle of youths, students, and people in South Korea, and groundlessly linking it with us. The South Korean authorities should not suppress patriotic youths, students, and people who have risen up in the anti-U.S. struggle for independence and the antifascist struggle for democracy, charging them with procommunism and leftist tendencies, and should immediately release those illegally arrested and imprisoned.

The above questions are very elementary demands arising at present in resuming the suspended North-South dialogue and in leading it along a smooth course. This completely reflects the unanimous desire of all our bretheren and the peace-loving people of the world who want dialogue, peace, and peaceful reunification in Korea. We consider that the United States and the South Korean authorities should show due, sincere attitudes toward these unavoidable questions.

The South's delegations have already lost the necessary desire to even talk about dialogue, because they have connived at and followed the reckless confrontation policy and war maneuvers of the United States and the South Korean ruling group, which have refused dialogue.

We hold that the South Korean delegations should show a sincere attitude before talking about empty, hollow dialogue which lacks feasibility and which no one welcomes. The attitude toward these principled demands of ours will be a touchstone as to whether or not they want to resume the suspended North-South dialogue. We will continue to watch the attitude of the United States and the South Korean side.

[Signed] The delegation of the North side to North-South economic talks, the delegation of the DPRK Red Cross Society, and the delegation of the North side to the preliminary contact for North-South parliamentary talks.

[Dated] 10 August 1986, Pyongyang

#### JAPANESE MILITARISTS INCREASING DEFENSE BUDGET

SK090520 Pyongyang KCNA in English 0450 GMT 9 Aug 86

[Text] Pyongyang August 9 (KCNA) -- NODONG SINMUN today, commenting on the fact that the Defence Agency of Japan set the military budget for 1987 6.3 percent higher than this year's, denounces Japan's policy of militarist arms buildup as a wrong-chosen reckless road. The author of the commentary says:

The increase of Japan's military budget means precisely the acceleration of the arms buildup in Japan and this is demanded by the United States. What the United States demands is that Japan reinforce her Armed Forces in conformity with the requirement of its Asian, Korean strategy and Japan, while complying with demand of the United States, tries to build up strong armed forces of aggression for the realization of her own ambition to stage a comeback to the Asian region. Noting that Japanese Prime Minister Nakasone thinks nothing of the former decision on limiting the military budget to no more than one per cent of the gross national product, the commentary says:

According to reports, the Japanese reactionaries plan to produce cruise missiles and start the production of nuclear weapons and are examining the plan to deploy nuclear submarines. The Japanese reactionaries are racing headlong along the road of unbridled arms buildup. The danger of such moves is to be seen most graphically in their aggressive moves against our country and other Asian countries. Japan in collusion with the United States and South Korean puppets, is working round the clock to frame up a triangular military alliance, has drawn up an operational plan against our republic and is scheming to launch even "strait blockade" operations. If Japan persistently follow this road, she will meet only another defeat.

SO YUN-SOK SPEECH COMMEMORATES KIM IL-SONG ADDRESS

SK070201 Pyongyang Domestic Service in Korean 1300 GMT 5 Aug 86

[Report on 5 August Pyongyang meeting at 8 February Hall of Culture commemorating 15th anniversary of Kim Il-song's 6 August 1971 speech "The Joint Struggle of the Revolutionary Asian People Against the U.S. Imperialists" with portions recorded]

[Text] On 5 August, a Pyongyang meeting was held in the 8 February Hall of Culture to mark the 15th anniversary of the great leader Comrade Kim Il-song's historic speech of 6 August 1971, "The Joint Struggle of the Revolutionary Asian People Against the U.S. Imperialists Will Be Victorious Without Fail."

Respectfully placed at the front of the meeting hall with the flag of the republic in the background was a portrait of the great leader of our party and our people Comrade Kim Il-song. Banners reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious WPK!" were hung in the hall. The figures "1971-1986" were hung behind the rostrum.

Present at the meeting were Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the Pyongyang municipal party committee, and chairman of the Pyongyang Municipal People's Committee; Comrade Ho Chong-suk, secretary of the party Central Committee; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party; Kim Yong-chun, vice chairman of the Central Committee of the Korean Social Democratic Party; Wang Kyong-hak, vice chairman of the Pyongyang Municipal Administrative and Economic Guidance Committee; and responsible functionaries from public organizations, together with workers of the city from all walks of life.

The meeting began with the playing of the national anthem. Comrade So Yun-sok gave a speech at the meeting:

[Begin So Recording] Comrades: Under the moving circumstances during which the entire party, the entire nation, and all of the people vigorously carry out the chuche orientation of the entire society and the three revolutions -- ideological, technological, and cultural -- and during which the South Korean people and the overseas compatriots vigorously wage the anti-U.S. and antifascist struggle and the patriotic struggle for national reunification, we today significantly mark the 15th anniversary of publication of the great leader Comrade Kim Il-song's immortal work, "The Joint Struggle of the Revolutionary Asian People Against the U.S. Imperialists Will Be Victorious Without Fail."

Greeting this day, all of the Korean people again warmly feel the justness and great vitality of the great leader Comrade Kim Il-song's historic 6 August 1971 speech, which opened a new epochal turning point in our people's struggle for the independent and peaceful reunification of the nation. We recall with deep emotion the proud course during which we vigorously advanced along the single road of national reunification elucidated by the great leader over the past 15 years.

The great leader's immortal work was published when the confrontation and struggle became extremely acute between the anti-imperialist peace-loving forces and the aggressive imperialist forces in the international arena, when complex situations were being created in the political development of the world, and when the people's aspirations for national reunification grew higher than ever before.



As is known to all, the international situation during the early 70's was very complex and eventful due to new moves which showed drastic change. In particular, the U.S. imperialists were rejected everywhere by the anti-imperialist and anti-U.S. struggle of the revolutionary Asian people. The U.S. imperialists' aggressive Asian policy was faced with a crisis of overall collapse in the areas. Even within the United States, the antiwar and antigovernment movement was unprecedentedly enhanced and economic catastrophe was further deepened. In addition, contradiction and discord within the internal leadership began to grow more acute with each passing day.

Putting forth the so-called new Asian policy designed to make the Asian people fight against one another, the U.S. imperialists, attempting to save their deteriorating situation, maneuvered to implement this policy. However, this could not halt their destiny of failure. The U.S. imperialists, backed into a corner at home and abroad, attempted to improve relations with large countries while further strengthening aggressive maneuvers more viciously against small and divided countries, thus adhering to double-dealing tactics. As the first step to implement the cunning double-dealing policy of the U.S. imperialists, Nixon announced a plan to visit the PRC. Concerning Nixon's visit to China, varying speculation and views circulated throughout the world. At that time, in his historic 6 August speech, the great leader sagaciously evaluated Nixon's Chinese visit as evidence of the overall bankruptcy of the blockade policy persistently implemented against the PRC for a long time and as a visit by one who had suffered a defeat and turned out with a white flag as his nation's fortunes began to decline.

The great leader proposed a wise policy for the people of all nations of the world pursuing revolution to heighten vigilance in firm unity against the imperialists' double-dealing tactics and to cut the last windpipe of the imperialists, who were on a downward slide.

The great leader in particular elucidated a new anti-imperialist struggle strategy for the people of revolutionary Asian countries to vigorously wage a joint struggle against the U.S. imperialists and the Japanese militarists by further strengthening the anti-U.S. and anti-imperialism united front. As the great leader elucidated a revolutionary strategy for the anti-imperialist and anti-U.S. struggle based on scientific analysis of the prevailing situation, world public opinion, which had been in temporary confusion, stabilized and the revolutionary people in Asia and around the world were able to firmly maintain their principled position against imperialism and came to have a powerful weapon with which they could wage the anti-imperialist, anti-U.S. struggle more powerfully. [applause]

In his historic speech, the great leader not only put forth the strategy of the anti-imperialist and anti-U.S. struggle based on scientific analysis and the evaluation of the situation in Asia and the overall international situation, but also elucidated a new epochal policy to accelerate the independent and peaceful reunification of the nation.

The great leader Comrade Kim Il-song has taught: We are prepared to meet with, at any time, all political parties and public organizations in South Korea, including the Democratic-Republican Party, as well as individual figures.

At that time, a very favorable situation for our people's struggle for the independent and peaceful reunification of the nation was being created in our country.

All the people in the northern half of the republic brilliantly achieved the historic cause of socialist industrialization by embodying the revolutionary line of independence, self-reliance, and self-defense.



They did so by upholding the banner of the immortal chuche idea and more firmly consolidating the revolutionary bases in the northern half politically, economically, and militarily.

The South Korean people, encouraged by the successes in socialist construction in the northern half of the Republic, more fiercely waged the struggle to expedite freedom, democracy, and the independent and peaceful reunification of the fatherland. The South Korean puppets, frightened by the situation which developed in favor of revolution at home and abroad, more undisguisedly perpetrated acts to preserve their remaining life by depending on the U.S. imperialists and the Japanese reactionaries and further strengthened maneuvers to perpetuate the nation's division while loudly raving about peace and reunification.

The rapidly changing situation at home and abroad urgently required that we take a new step for national salvation and take the lead in pioneering the road to independent and peaceful reunification of the country with the united strength of the nation. It was then that the great leader set forth a policy of holding extensive negotiations with all political parties, including the ruling party, public organizations, and individual figures of South Korea.

The policy of extensive negotiations proclaimed by the respected and beloved leader embodies the noble position of loving the country and the nation enough to subordinate everything to solving the problem of reunifying the country -- the foremost task of the nation -- and to open a new phase for reunifying the country, the long-cherished desire of the nation, by the total mobilization of the entire nation. This policy put forward by the great leader also contains the broad and deep capacity and magnanimity, providing opportunity, even for those who committed crimes against the country and the nation, for them to cleanse themselves of their crimes and resuscitate themselves along the road to reunifying the country.

Truly, the policy of extensive North-South negotiations proclaimed anew by the great leader is an epochal nation-saving step which precisely reflects the ardent desire of all Korean people to bring an end to the tragedy of national division and to reunify the country at an early date, and it is a most wise policy of negotiation exactly conforming to the demands of the situation at home and abroad. [applause]

Therefore, the policy of extensive negotiation set forth anew by the great leader evoked extensive support and consensus among the peace-loving people of the world, as well as all Korean people at home and abroad, as soon as it was made public, and demonstrated great vitality. While the voices of the people at home and abroad welcoming and supporting the great leader's historic 6 August speech rose higher with each passing day, those in the South Korean social and political circles strongly asserted that our policy of extensive North-South negotiation should be accepted.

Under such circumstances, the U.S. imperialists and the South Korean puppets, who had long opposed even contacts between the North and South, could no longer keep the door closed and were compelled to respond, reluctantly, to our proposal for extensive North-South negotiations, though these were in the form of Red Cross talks. This resulted in opening the door between the North and South that had been firmly closed for over a quarter of a century, opening a way to contacts and dialogue at long last and leading to high-level North-South political talks.

In particular, a new situation was created between the North and South in which the historic 4 July North-South joint statement, the basic contents of which were the three principles for reunifying the country -- independence, peaceful reunification, and grand national unity -- was issued.

That dialogue between the North and South, which was held for the first time in 26 years since the division of the country and the nation, resulting in issuance of the North-South joint statement, was entirely the shining realization of the policy of extensive North-South negotiations proclaimed by the great leader in his historic 6 August speech and of the policy of the independent and peaceful reunification consistently maintained by our party. It was a valuable first success brought about by the serious effort and endless struggle of our party and people to reunify the country. [applause]

Because dialogue was held between the North and South and the 4 July North-South joint statement was issued pursuant to the policy of extensive North-South negotiations set forth by the great leader, the South Korean people came to have greater endless reverence and admiration for the respected and beloved leader; their adoration for the northern half of the republic, where the immortal *chuche* idea is brilliantly realized, became stronger with each passing day; and the mood to reunify the country was heightened more than ever.

Because the respected and beloved leader put forward a policy of extensive North-South negotiations in his historic 6 August speech, a new epochal change was brought about in our people's struggle to reunify the country. This was another shining achievement which the great leader has made along the sacred patriotic road to independent and peaceful reunification of the country. [applause]

Taking this significant opportunity, I respectfully give the greatest glory and warmest gratitude to Comrade Kim Il-song -- the great leader of our party and people, the peerless patriot and lodestar of the country's reunification who scientifically analyzes the situation at home and abroad with extraordinary insight and wisely leads our people's struggle for reunification of the country -- with the endless feelings of reverence and admiration and the blazing loyalty of all Korean people. [applause] [end recording]

[So Yun-sok], the reporter, continued noting in detail how our party and the government of the republic have made every possible effort to lead the dialogue between North and South to success and to facilitate reunification of the country based on the three principles of reunification since the great leader put forward the policy of extensive North-South negotiation in his historic 6 August speech.

He then exposed in detail how the South Korean puppets have turned away from our just policy of reunifying the country, pursued the two Koreas plot, scheming from the first day of dialogue to maintain division rather than work for reunification, and driven the North-South dialogue into a state of complete frustration in conspiracy and collusion with the U.S. masters.

He also exposed how the U.S. imperialists and South Korean puppets desperately attempted to block the progress of North-South dialogue by conducting the extremely provocative "Team Spirit-86" joint military exercise, although we made a series of constructive proposals last year and this year to open a new phase for peace and peaceful reunification by leading a multichannelled North-South dialogue to success and continue to make active efforts to provide a good atmosphere and environment for North-South dialogue.

He continued, exposing how the Chon Tu-hwan puppet clique is unprecedentedly stepping up suppression with the U.S. imperialists' backing, discussing the anti-U.S. struggle for independence and the antifascist struggle for democratization by the South Korean students and people, and discussing how the puppet clique is absurdly relating them to us.



He also said that the commotion of war and the anticommunist confrontation maneuvers of the U.S. imperialists and South Korean puppets, which have become more open with each passing day, are leading the situation on the Korean peninsula closer to the brink of war and that North-South dialogue is on the crossroad of resumption or complete rupture.

He also stated that the South Korean ruling gang, with U.S. backing, rejected our proposal for talks by military persons in authority for the alleviation of tension, peace, and dialogue and conducted a new large-scale exercise of total wartime mobilization called "Ulchi-86" which mobilized numerous members of the puppet army, the puppet police, and even residents. He sternly condemned this as an open challenge to the consistent yearning of all Korean people and the peace-loving people of the world for the alleviation of tension on the Korean peninsula, peace, and reunification and as an intolerable crime pushing North-South dialogue deeper to frustration.

The reporter continued: [Begin So Yun-sok recording] The entire course of the struggle over the past 15 years to reunify the country based on the policy put forward by the great leader in his historic 6 August speech eloquently shows who truly desires peace and peaceful reunification in our country and who is scheming for war and division, who truly desires dialogue and who seeks confrontation.

The U.S. imperialists and South Korean puppets are the unpardonable warmongers who oppose peace and the peaceful reunification of our country and persistently seek confrontation and war. They are vicious splittists and destroyers of dialogue. With surging national indignation, I sternly denounce the U.S. imperialists for laying grave obstacles before dialogue, peace, and peaceful reunification while occupying Korea with armed forces and exercising a malicious colonial and fascist rule. I also denounce the Chon Tu-hwan puppet clique, a group of fascist dictators, war maniacs, national splittists, and treacherous traitors for being bent on fascism, war, treachery, and division in collusion with foreign forces.

Comrades, our people are assigned the urgent task of easing the strained situation, of preventing the danger of war, and of pioneering the road to independent and peaceful reunification of the fatherland.

The great leader Comrade Kim Il-song has taught: Removing the state of military confrontation between the North and South and dispelling the danger of war are the most important conditions for peaceful reunification of the fatherland.

During the situation in which the North and South confront each other while pointing a gun and the danger of fratricidal war prevails, no contact and negotiation between the North and South can attain good success, and genuine national unity and reunification cannot be achieved. Today, the state of military confrontation between the North and South is reaching an extreme. An acute situation in which the fuse of war could be ignited prevails in our country where a huge number of armed forces sharply confront each other across the Military Demarcation Line.

If war breaks out again in our country during the situation in which some 1,000 nuclear weapons are deployed in South Korea, it will easily become a nuclear war and, thus, go beyond the bounds of the Korean peninsula and plunge Asia and the world into the holocaust of war. This grave situation urgently demands that measures for military detente be taken before anything else.



Only when measures for military detente are taken can the dagger in the bosom be removed, an atmosphere for holding an authoritative dialogue [himi innun taehwa] be created, and a wide road to peace and peaceful reunification be opened.

Precisely for this road to detente, dialogue, and peace we have proposed holding talks between military authorities. Talks between military authorities should be promptly held. The United States and South Korean authorities should not seek the road of confrontation and war, but should show an affirmative response to our constructive peace proposal at an early date.

The Korean peninsula should be turned into a nuclear-free zone of peace to prevent war and consolidate peace in our country. Turning the Korean peninsula into a nuclear-free zone of peace is the unanimous demand of the Korean people and the aspiration of the people and the political and social circles of all countries which oppose war and love peace. Precisely for this reason, a series of proposals to turn the Korean peninsula into a nuclear-free zone of peace, set forth in a statement by the government of the republic last June, arouse active support and welcome from a broad range of social and political circles around the world.

The United States must look straight at the tenor of the times, give up its wild ambition to trigger a new nuclear war in Korea, and immediately withdraw its nuclear weapons from South Korea.

If any negotiation is needed in connection with our proposal to turn the Korean peninsula into a nuclear-free zone of peace, we are willing to respond to the negotiations at any time without confining their form. If it genuinely wants to prevent nuclear war and preserve peace, the United States should, first of all, work to make the Korean peninsula a nuclear-free zone of peace and unhesitatingly respond to the proposal put forward in the statement of the government of our Republic dated 23 June.

To guarantee a durable peace on the Korean peninsula and provide a basic prerequisite for achieving peaceful reunification, we should realize tripartite talks -- just as we have already proposed -- with the participation of the DPRK, the United States, and South Korea. We will continuously exert efforts to realize political talks and will patiently wait for a response to these talks by the United States and the South Korean authorities.

The United States and the South Korean authorities should abandon, at the earliest possible date, their erroneous refusal of all of our rational proposals for true detente, dialogue, and peace, and should quickly and affirmatively respond to our peace proposal by adopting any methods and forms whatsoever.

Cohosting the 24th Olympics by the North and South to eliminate the state of tension and confrontation on the Korean peninsula today and expedite peaceful reunification poses a most important question. Holding the 24th Olympics in Seoul, South Korea alone will aid the political plot of the U.S. imperialists and their stooges to concoct two Koreas by intensifying confrontation between the North and South and by disguising South Korea, a colony of the U.S. imperialists, as an independent country, and will bring about a grave consequence that will greatly hinder wholesome development of the international Olympic movement, whose ideals are peace, friendship, and unity. Therefore, we demand that the 24th Olympics be cohosted by North and South of Korea, and we will unsparingly exert every effort to realize this demand.

The South Korean authorities should abandon their dark, hidden desire to use the Olympics for an impure political aim by winning support from foreign forces and should behave sincerely and cohost the 24th Olympics with the North. If the 24th Olympics are cohosted by the North and South, we will provide sufficient conditions for successfully holding all sporting events in the areas of our side. We will also provide great convenience to all people, including athletes, sports workers, and reporters.

The reunification of our country should be achieved based on the three-point principle delineated in the historic 4 July joint statement -- independence, peaceful reunification, and grand national unity. This reunification should also be achieved through the method of founding the Democratic Confederal Republic of Koryo. [applause]

To achieve the fatherland's reunification, we should achieve the independence and democratization of South Korean society. Under circumstances plagued by fascist tyranny, the South Korean students and people have traversed the single road of patriotic struggle for 15 years to achieve independence, democracy, and reunification. The South Korean students and people have performed proud exploits in overthrowing the Yusin dictator through their resolute democratic struggle and in shaking the U.S. imperialists' colonial rule from its base. In particular, the Kwangju people's uprising in May 1980 vigorously demonstrated our people's heroic and unyielding fighting spirit to the world, causing the U.S. imperialists and their stooges to become greatly panic-stricken and uneasy and opening a new, brilliant chapter in the history of the South Korean people's nation-saving struggle to achieve freedom and liberation. [applause]

Since then, directing the brunt of the struggle toward the U.S. imperialists, the South Korean students and people have fiercely kindled the flames of the anti-U.S. struggle throughout South Korea to achieve independence.

On behalf of all the Korean people and as one of their fellow countrymen, I positively support and encourage the anti-U.S. struggle for independence and antifascist struggle for democracy of the South Korean students and people and extend firm solidarity with these struggles. [applause] Continuously upholding the anti-U.S. banner of independence and the antifascist banner of democracy, which they have already held aloft, the South Korean students and people should tenaciously struggle until they banish the U.S. imperialists from South Korea, end their colonial rule, overthrow the military fascist ruling system, and achieve the democratic development of society.

The South Korean people from all walks of life, including workers and peasants, should positively support and encourage the righteous nation-saving struggle of the patriotic students and should wage the pan-national, anti-U.S., and antifascist struggle to save the country. The U.S. imperialists should not maintain their colonial rule over South Korea, should not pursue the criminal policy of two Koreas, and should withdraw from South Korea without delay in accordance with the unanimous demand of the people at home and abroad and in accordance with the decision of the 30th UN General Assembly, taking their aggressive forces and all lethal weapons with them.

The Chon Tu-hwan puppet clique should stop suppressing the people in a fascist manner and should relinquish power without delay, taking responsibility for turning South Korea into a desolate grave of democracy and into a barren land for human rights, as we see today.

To achieve peace and the peaceful reunification of the country, all the people should achieve grand unity and join their efforts. Regardless of whether they are from the North, the South, or from overseas, and regardless of their ideologies, political views, factions, or affiliations all Koreans who love the country and people and who are concerned over the future of the people should firmly unite under the banner of the fatherland's reunification and positively strive to achieve the cause of reunification through unity. Many obstacles and difficulties lie on our people's future path toward the struggle to achieve the fatherland's reunification. However, we will courageously wade through any grim and thorny road with a patriotic will to achieve reunification and will strive to the end to build a single, prosperous, and reunified Korea in the 3,000-ri land by achieving the historic cause of the fatherland's reunification through the united effort of all the people. [applause]

The people of the northern half of the republic have a weighty but honorable task to expedite the fatherland's reunification. With high revolutionary vigilance, all workers should acutely watch the maneuvers of the U.S. imperialists and South Korean puppets to provoke a new war and concoct two Koreas, and should work and live in a revolutionary manner, always assuming a tense and mobilized posture. The future path of our people tenaciously struggling and upholding the profound program for reunification delineated by the great leader Comrade Kim Il-song and following the wise leadership of the dear leader Comrade Kim Chong-il to achieve the fatherland's independent and peaceful reunification, will always be victorious and glorious. [applause]

Let us firmly unite around the party Central Committee led by the respected and beloved Comrade Kim Il-song, uphold the revolutionary banner of the great chuche idea, and much more vigorously struggle to achieve the complete victory of socialism in the northern half of the republic and the fatherland's independent and peaceful reunification and to complete the chuche revolutionary cause. [applause] [end recording]

#### S. KOREANS URGED TO BECOME INDEPENDENT OF U.S.

SK100855 Pyongyang KCNA in English 0838 GMT 10 Aug 86

[Text] Pyongyang August 10 (KCNA) -- NODONG SINMUN today comes out with a signed article headlined "Independence of South Korean Society is Guarantee of Anti-War, Anti-Nuclear Peace", which says in part:

A basic guarantee for dispelling the danger of war and preserving and consolidating peace on the Korean peninsula is to realise the independence of South Korean society. South Korea is an out-and-out colony of the U.S. imperialists and the biggest nuclear forward base in the Far East. The presence of the U.S. imperialist aggression forces in South Korea itself constitutes a hotbed of war. If war is to be prevented and peace preserved and consolidated in Korea, the U.S. imperialist aggression forces must withdraw from South Korea, taking along their nuclear weapons. This will be made possible only when the independence of South Korean society is realised.

Realising the independence of South Korean society means that South Korea frees itself from the control and subordination by the United States. In other words, it means putting an end to the U.S. imperialists' occupation of South Korea and policy of aggression. When all the patriotic forces of South Korea take an active part in anti-war, anti-nuclear peace campaign under the banner of independence against U.S. imperialism, the U.S. imperialists will be unable to stay on in South Korea but be driven out of there.



CHON ON DOMESTIC POLITICS, RELATIONS WITH NORTH

SK110157 Seoul YONHAP in English 0137 GMT 11 Aug 86

[Text] Seoul, Aug 11 (YONHAP) -- South Korean President Chon Tu-hwan Monday urged North Korea to agree to hold a summit meeting "at an early date," and to reopen the existing channels of dialogue between Seoul and Pyongyang. In a press conference held at Chongwadae, the presidential mansion, Chon appealed to North Korea to participate in the Seoul Asian Games this year, as well as the 1988 Seoul Olympics. As leader of the host nation, Chon expressed the hope that "our compatriots in the North, in addition to the presence of their athletic team, will join us in watching the two major international sports festivals and in sharing with us the honor and glory of hosting them."

Chon said that he wants to use the summit as an occasion to discuss national security. He also expressed concern over North Korea's current efforts to rapidly strengthen its military links with the Soviet Union. The president pointed out that a high Soviet military officer recently disclosed that the Soviet Pacific Navy is ready to wage joint operations with North Korea, indicating the possibility that Soviet ground forces may intervene on behalf of North Korea.

He said that the next two to three years will be a crucial period encompassing the Seoul Olympics and the peaceful change of the South Korean Government. Considering such a situation, he continued, the South Korean people should be alert and vigilant during the period.

If war does not break out on the Korean peninsula, Chon predicted, North Korea will have to modify its stance in light of the enormous gap in various fields between the two Koreas. He said that if Pyongyang maintains its current socio-political system, it will be compelled to take considerable interest in earnest dialogue with South Korea. Last January, North Korea boycotted all scheduled talks with South Korea, including economic and Red Cross talks.

Concerning the planned constitutional revision, the president called on the ruling and opposition parties to discard "self-interest, and partisan gains and strategies" in order to reach agreement on constitutional revision through "genuine dialogue and compromise." He said that the new constitution should be conducive to "genuine democratic progress, sustained national development and greater public welfare." There is no need to slow down the constitutional revision process, Chon said, and the sooner the matter is successfully concluded, the better. "Should any side turn its back on the principles of compromise and accommodation and insist on ramming through an amendment proposal based on its unilateral partisan strategy, it would not be able to avoid public questioning and rebuke, and would have to take responsibility in history," he said.

Regarding the ruling Democratic Justice Party's presidential candidate, the president said that "any member of the DJP who is legally qualified can run for party candidate." He said, however, that the candidate should be a person with the trust of the general public, the respect of his party colleagues and the capability of "astutely and resolutely dealing with the difficult and grave matters that constantly confront the nation." When a constitutional amendment bill is prepared by the national assembly, he added, the nation's political timetable will take a more concrete form and clearer answers will then be provided.

Concerning speculation about a coming reshuffle of the cabinet and DJP leadership, he said that the frequent changing of personnel would undermine the consistency of work and the efficiency of the government administration. Chon added, however, that it would be "appropriate" to reorganize the government and the government party "if and when a new situation demands new people." "This kind of reorganization is an indispensable ingredient of statecraft for coping with changing circumstances," he said.

Chon expressed particular concern over and pledged stern and resolute actions against the recent emergence of radical leftist students and hardline dissident groups, which he said are "certainly a serious problem." The president said that those groups' search for reform is "nothing other than a revolution to overthrow our liberal democratic system." Noting that South Korea faces tenacious campaigns of agitation and sabotage by the North Korean communist regime, Chon said, "to us, pro-communist radicalism is not an abstract theory or a temporary ailment of society: it is a challenge to our national security and survival." He said that the government intends to make even greater efforts to properly guide and reorient those students who have temporarily turned sympathetic to radical leftist ideology or the theory of violent revolution by playing the role of their parents and siblings. "However, the extremely indoctrinated hard-core radicals, habitual masterminds of violent demonstrations and others who are beyond guidance will have to be removed from the campuses and society in accordance with the law," he said. "We can never tolerate violence and other unlawful acts that will destabilize the nation and society, no matter in what name, ism or cause they are committed -- whether in quest of constitutional change or democratization," Chon continued. "To safeguard national survival and security, I renew my pledge to sternly and resolutely deal with such acts by invoking all the powers vested in the office of the president under the Constitution," he added.

Chon has repeatedly stressed his intention to become the first Korean president to step down precisely at the end of his prescribed term in office. He said he hopes that the day when he honorably leaves Chongwadae of his own volition will long be appreciated by future generations as the day that a new era of genuine democracy was opened in Korean history. Although his term of office will expire in about 18 months, Chon said that in the cause of "national advancement," he will not tolerate any situation that causes citizens to become anxious and worried. "No matter what may come, I will do everything in my power to maintain and enhance a social climate conducive to productive work. My administration is unwaveringly determined to protect and promote the well-being of all citizens. The government is strong and powerful enough to back up this pledge," he said.

Pointing out that Korea now stands at a crossroads of national history leading either to further progress or to retrogression, Chon said that the country's success or failure will depend on a series of major tasks in two to three years, including the 1986 Asian Games, the 1988 Seoul Olympic Games and the first-ever peaceful transition of power, also scheduled for 1988. "If we successfully accomplish these momentous tasks and continue to grow steadily under conditions of stability through the 1990's as we are now doing, I am confident that Korea will not fail to reach the very forefront of development," he said.



## DJP, NKDP, KNP React

SK110756 Seoul YONHAP in English 0736 GMT 11 Aug 86

[Text] Seoul, Aug. 11 (YONHAP) -- The ruling Democratic Justice Party (DJP) said Monday that President Chon Tu-hwan gave the people "fresh confidence and courage" by frankly voicing his opinions on a wide range of state affairs in Monday morning's news conference. In an official party statement, DJP spokesman Sim Myong-po said, "Today's news conference by President Chon, which featured a frank expression of experience and confidence, as head of state, on general affairs and pending issues, gave confidence and courage to the people, who are looking forward to social stability and political development." Sim continued: "We welcome wholeheartedly President Chon's firm determination never to allow circumstances that will make the people feel uneasy, and to fulfill the key points of his party's policy of expanding the middle class." The DJP spokesman said that his party expects all the people to work toward stability and development in accordance with the president's determination at this critical point in time, when the nation should establish a milestone for true democracy.

The opposition camp was less supportive in its assessment of Chon's comments, however. Rep. Kang Sam-chae, deputy spokesman for the main opposition New Korea Democratic Party (NKDP), said that his party was "disappointed" by the absence of comments on pending political issues such as the release of political prisoners. "We could not restrain our disappointment over the president's lack of sincerity in the press conference about matters involving the creation of an atmosphere conducive to constitutional revision, such as the release of political prisoners and the granting of amnesty and restoration of civil rights for dissident leader Kim Tae-chung," Kang said. The minor Korea National Party (KNP) said that the press conference was insufficient because Chon did not mention measures to calm down public sentiment, which deteriorated as a result of a series of pending issues, including the recent independence hall fire and Korean-U.S. trade issues.

## Business Organizations React

SK110749 Seoul YONHAP in English 0728 GMT 11 Aug 86

[Text] Seoul, Aug. 11 (YONHAP) -- South Korea's four major economic organizations Monday welcomed President Chon Tu-hwan's economic policies, as outlined in a press conference on Monday. The organizations said that Chon's remarks reflected his firm determination to promote the development of the national economy and the stabilization of the nation's standard of living.

Chon expressed his confidence in the future of the national economy, the Korea Chamber of Commerce and Industry said. The president's emphasis on the development of the capital goods industry well presented the most urgent task facing the Korean economy, according to chamber. Chon's contention that Korea should improve the many structural weaknesses of its economy is a common view held by Korean business circles, it said. The Federation of Korean Industries also welcomed Chon's policy direction of strengthening efforts to develop domestic substitutes for machinery and plant equipment, and parts and components, for which Korea has depended heavily on other countries, and to foster the capital goods industry. It said that all Koreans should make concentrated efforts to establish a surplus in the nation's international balance of payments. The Korean Traders Association and the Korea Federation of Small Businesses made similar comments supporting Chon's policy of boosting the capital goods industry, which it called a "timely" decision, considering the fact that Korea's dependence on Japanese goods has been growing, despite the sharp rise in the value of the Japanese yen.



SIHANOUK ON PRC DIPLOMATIC FLEXIBILITY

BK101612 Hong Kong AFP in English 1558 GMT 10 Aug 86

[By Francis Deron]

[Text] Thai-Cambodia Border, Aug 10 (AFP) -- China is trying to strengthen its diplomatic position by showing new flexibility towards the Cambodian crisis, Prince Norodom Sihanouk said Sunday. He said that China is trying to muster support from the international community by promising a cut in the forces of the Khmer Rouge, the biggest coalition group, if the Vietnamese leave Cambodia.

The prince was speaking to reporters at a "mobile" guerilla base run by his forces in the northern Cambodia province of Oddar Meanchey near the Thai border. He was there to receive the credentials of a new ambassador from a country friendly to his U.N. recognised resistance government.

The leader of the anti-Vietnamese resistance in Cambodia also said that although Beijing was showing new flexibility, China was determined not to lose ground to the Soviet-Vietnamese alliance. An eventual thaw in relations between China and the Soviet Union, which backs Vietnam, would have little effect on the guerrilla war being waged in his country, the prince said.

Prince Sihanouk heads the tripartite Coalition Government of Democratic Kampuchea (CGDK), whose 50,000 guerrillas have been fighting some 140,000 Vietnamese troops stationed in Cambodia since late 1978 to prop-up the Heng Samrin regime in Phnom Penh.

The "suggestion" of a Khmer Rouge troopcut, put forward by the Chinese Communist Party chief Hu Yaobang, was aimed at enhancing the CGDK's position at the next session of the U.N. General Assembly, Prince Sihanouk said.

Khmer Rouge leader Khieu Samphan, who was with the prince when he talked to reporters Sunday, said the Khmer Rouge had "not yet given thought" to the Chinese proposal.

Prince Sihanouk had said earlier that the Chinese party chief proposed that Khmer Rouge forces, currently 35,000 strong, be cut to the same level as those of the other two CGDK partners -- the National Sihanoukist Army and the Khmer People's National Liberation Front (KPNLF) led by Son Sann. Prince Sihanouk also said that he had been assured "there will be no softening" of China's stand against Soviet military support for Vietnam and that China would maintain a strong military presence on the Sino-Vietnamese border.

He predicted that his government would receive "almost the same number" of votes as it did last year at the next U.N. General Assembly for a resolution demanding the complete withdrawal of Vietnamese troops from Cambodia. The CGDK holds the Cambodian seat at the United Nations.

Prince Sihanouk said that his presence at the guerrilla base was proof that the Cambodian resistance still intended to "bleed" Vietnamese forces despite Hanoi's military success against the resistance since 1985. "The situation is changing step by step in favour of the resistance," he said, referring to guerrilla claims to have stepped-up activities recently inside Cambodia.

Prince Sihanouk was receiving the credentials of Bakri Aiyub Chazzali, the new Malaysian ambassador to his government. It was the first time the prince had performed such a ceremony in an area held by his troops. Previous ceremonies had been held in Khmer Rouge-controlled territory. It was also the first time that representatives from the KPNLF had participated. The ceremony was organized with the help of Thai authorities who transported reporters to the unidentified guerrilla base in military trucks. Both resistance and Thai military authorities refused to indicate where the ceremony was held or release the name of the base, saying only that it was a "mobile base" like five others established by resistance forces since the fall of several large frontier camps in late 1984 and early 1985.

Prince Sihanouk's son Norodom Ranariddh, the commander of Sihanoukist forces, said there were 4,000 men at the base, with barracks hidden in the jungle.

Prince Sihanouk also gave leaders of the KPNLF, which split into two rival factions almost a year ago, an appeal from Singapore Premier Lee Kwan Yew to "achieve reconciliation as soon as possible."

The prince is scheduled to preside Monday over a CGDK cabinet meeting and visit a Cambodian refugee camp in Thailand where the families of some of his followers live.

#### Says No New Peace Plan

BK090350 Singapore THE STRAITS TIMES in English 6 Aug 86 p 9

[Text] Prince Norodom Sihanouk said yesterday he would not propose new initiatives on the Cambodian resistance's eight-point peace plan as these may upset China.

While he agreed with Foreign Minister S. Dhanabalan that the peace proposal could be improved upon to make it more acceptable to the international community and Vietnam, he felt that the time to do this "is not right".

The President of the un-recognised Coalition Government of Democratic Kampuchea told newsmen at a press conference at Mandarin Hotel before leaving for Bangkok: "I know China and the Khmer Rouge are not yet ready to listen to me."

From his remarks, Prince Sihanouk made it very clear he believed China to be calling the shots in the search for a political solution to the eight-year-old Cambodian conflict.

He said he, too, was all for disarming the fighting forces and having international peace-keeping forces in Cambodia after the withdrawal of Vietnamese troops -- two elements which Mr. Dhanabalan would like to be included in the eight-point plan -- if it were not for China's stand.

China and the pro Beijing Khmer Rouge guerillas, he said, are against disarming the fighting factions. The possibilities of them changing their position are "remote".

"So, for the time being, I am keeping quiet as far as new initiatives are concerned. I will not make new proposals. We will have to wait for the right time to do so."

However, he said there has been a slight shift in China's position, following his meeting with Mr. Hu Yaobang, General Secretary of the Chinese Communist Party, on July 3.

China, he revealed, has agreed that it would reduce the "effectiveness" of Khmer Rouge fighters and bring its military strength on parity with the other Cambodian resistance forces led by himself and Mr. Son Sann -- if Vietnam agrees to pull out its troops.

He said he sent a "confidential" letter to Mr. Dhanabalan two days ago, informing him of China's more "flexible" attitude. He will convey the same to the other ASEAN leaders.

On his meetings with the Prime Minister, Mr. Lee Kuan Yew, and Mr. Dhanabalan, Prince Sihanouk, who was here with his wife Princess Monique on a four-day official visit, reported that both leaders expressed satisfaction with the progress made by the Cambodian resistance fighters in the battlefield.

He added that he agreed with Mr. Dhanabalan that the coalition forces should change their image to project themselves as more sincere rather than as hardline communists or socialists.

If he had his way, he said, he would change the name Democratic Kampuchea to Cambodia, and change the colour of its flag -- "it's too red. I would like to add some blue and white, with the silhouette of Angkor Wat in the middle".

Prince Sihanouk and his wife left last night for Bangkok. They will also visit Indonesia and Malaysia before flying to Europe and New York, where he will lead the CGDK delegation at the UN.

#### KHIEU SAMPHAN NONCOMMITTAL ON FORCE REDUCTION

BK101411 Kuala Lumpur BERNAMA in English 1056 GMT 10 Aug 86

[Text] Kampuchean Liberated Zone, Aug 10 (OANA-BERNAMA) -- Khmer Rouge leader Khieu Samphan was noncommittal Sunday when asked about China's suggestion that its forces be reduced to the level of its noncommunist partners in the Kampuchean resistance coalition after Vietnamese troops leave Kampuchea.

Stressing the need to consider all "national imperatives" he said even after Vietnam withdraws "the Vietnamese will always be at our door, ready to come back."

Khieu Samphan, who is vice-president of the Coalition Government of Democratic Kampuchea (CGDK), said the suggestion would be examined once there was a breakthrough in the current deadlock in Kampuchea.

The suggestion made by Chinese leader Hu Yaobang to Prince Sihanouk had not yet been thought about, Khieu Samphan added.

"What I can tell, what is clear, is that we must be united now as well as after the Vietnamese withdraw to ensure national defence."

Prince Sihanouk, who announced the suggestion in Singapore, has clarified that it was not a new element in the coalition's eight point peace plan.



The Chinese suggestion would cut the Khmer Rouge force now numbering about 30,000 to the level of the two non-communist groups -- the Sihanoukian Nationalist Army (ANS) who has about 11,000 armed fighters and the Khmer People's National Liberation Front (KPNLF) which has 15,000.

Khieu Samphan's comments came during a press conference given by Prince Sihanouk at the resistance base where he received the credentials of Malaysian Ambassador to Thailand Bakri Aiyub Ghazali who is also accredited to the CGDK.

The base belonging to the ANS is located 4 kilometres from the Thai border opposite Thailand's north-east Surin Province.

Khieu Samphan also said that it was impossible for the Khmer Rouge, which now calls itself the National Army of Democratic Kampuchea, to unite with the Heng Samrin regime to rule Kampuchea after Vietnam withdraws.

He added, however, that the Khmer Rouge accepted the principles of national reconciliation who would allow participation of the Heng Samrin regime in the eventual government in Kampuchea. [sentence as received]

"But first Vietnam must withdraw. We are ready to permit Vietnam to withdraw with honour and dignity," he said.

KHIEU SAMPHAN MESSAGE TO WU XIEQIAN ON FLOODS

BK080315 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 7 Aug 86

[4 August "Message of condolences from Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, to Wu Xueqian, foreign minister of the PRC"]

[Text] To Excellency Wu Xueqian  
Member of the State Council and  
Minister of foreign affairs of the PRC

Excellency:

I am very grieved to hear about floods in Jilin Province and other regions in China during which millions of Chinese people have suffered and tens of thousands of houses, millions of hectares of rice fields, and other property have been destroyed. On behalf of the Cambodian people and the CGDK and in my own name, I would like to express most grievous condolences to the Chinese people and government as well as all the bereaved families. Please accept my highest regards.

[Dated] Khieu Samphan

Vice President of Democratic Kampuchea in charge of foreign affairs

## Greets Singapore National Day

BK090417 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian  
2315 GMT 8 Aug 86

[8 Aug "greetings message from Khieu Samphan, Democratic Kampuchean vice president in charge of foreign affairs, to His Excellency Suppiah Dhanabalan, foreign minister of the Republic of Singapore"]

[Text] To His Excellency Suppiah Dhanabalan, foreign minister of the Republic of Singapore:

Excellency: On the auspicious occasion of the national day of the Republic of Singapore, on behalf of the Cambodian people and the CGDK and in my own name, I am honored and very glad to extend to you and, through you, to the government and friendly people of Singapore our warmest greetings and best wishes. May the Republic of Singapore score new and greater successes in all-round development and may the people of Singapore enjoy happiness and well-being forever.

Availing ourselves of this auspicious occasion, the Cambodian people, the CGDK, and I would like once again to express our deepest thanks to you and the government and people of Singapore for your firm support and assistance to the struggle for national liberation and racial defense waged by our Cambodian people and the CGDK against foreign aggression and occupation.

Recently, the Republic of Singapore and the other ASEAN member countries were among the first nations to voice their support for the CGDK's 8-point proposal for a political settlement of the Cambodian problem. The continuous and active support given us by the Republic of Singapore and other friendly ASEAN countries constitutes a great encouragement to our Cambodian people and National Army, who are waging the struggle on the battlefield, and a valuable contribution to the search for peace in Cambodia and to the defense of peace, security, and stability in Southeast Asia, the Asian-Pacific region, and elsewhere in the world. I would like to express deepest gratitude to you and the government and people of Singapore for this.

With the firm conviction that the traditional bond of friendship and cooperation that binds our two nonaligned countries will further strengthen and flourish, I would like Your Excellency to please accept my highest regards.

[Dated] Democratic Kampuchea, 8 August 1986

[Signed] Khieu Samphan, Democratic Kampuchean vice president in charge of foreign affairs

COMMENTARY ON SOVIET INITIATIVES FOR ASIA, PACIFIC

BK081252 Vientiane Domestic Service in Lao 1200 GMT 7 Aug 86

[Unattributed commentary: "Support the Soviet Union's Initiatives on Peace and Security in the Asia-Pacific Region"]

[Text] The Asia-Pacific region covers one-third of the earth and is inhabited by two-thirds of the world's population. This region, which is rich in various natural resources, has become a base and an area of military influence for the United States. The United States uses this region as its base and an area of military influence for threatening and suppressing the various struggle movements for independence and democracy of the nations in the region and for forcing these nations to follow the U.S. policy of encircling and pressuring the various countries currently struggling for independence and those refusing to follow in its footsteps and of positively assisting counterrevolutionaries in opposing the independence-loving states through its undeclared wars here and there.

In addition, the United States has pursued a policy of encouraging one country to continuously contradict, confront, and clash with other countries.

In Southeast Asia, with the approval of the international reactionaries, the United States has incited continuous confrontations between ASEAN and the Indochinese countries, thus removing a normal and peaceful situation from Asia and the Pacific and causing tension in relations among nations in the region. This is an important cause that may easily lead this part of the world to a war.

In the face of the ever more serious situation in the region caused by the Reagan administration's policy of inciting tensions, and thereby affecting the security and stability of the various nations in the region, it is thus necessary to bring peace and security to the Asian-Pacific region -- an earnest aspiration of the nations in this region.

With its high sense of responsibility, the Soviet Union has on many occasions in the past expressed constructive intentions and initiatives to turn the Asia-Pacific region into a zone of peace and stability free from nuclear weapons. This attitude was clarified once again in CPSU Central Committee General Secretary Mikhail Gorbachev's 28 July speech in Vladivostok on security and cooperation in the Asia-Pacific region.

At the recent regular session of the LPDR Council of Ministers, Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, affirmed his vigorous support for the Soviet Union's peace initiatives. He particularly highly valued Mikhail Gorbachev's important, all-round, and detailed proposals on peace and security in Asia and the Pacific, regarding them as a very important contribution to the cause of peace and security in this part of the world.

The Soviet Union's constructive intentions and initiatives conform with the aspirations of mankind in the world and in the Asia-Pacific region and with the wishes of the Laos people. When talking about the Lao people's wishes, Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, stressed that after defeating the ferocious war unleashed by the U.S. imperialists, the Lao people have ardently sought to live in peace, friendship, and cooperation with all countries, particularly those in Southeast Asia and the Asia-Pacific region.



The LPDR is trying its best to contribute to the struggle to turn Southeast Asia into a region of peace, stability, and cooperation. In this struggle it has, together with the SRV and the PRK, advanced various good-intentioned proposals to reduce tension and promote dialogue among various countries in the region to settle the Cambodian problem and other issues of dispute.

The LPDR has on many occasions proposed to the Kingdom of Thailand, a neighboring and fraternal country, to normalize bilateral relations on the basis of respecting each other's independence and territorial integrity and establishing cordial, neighborly relations in conformity with the interests of the peoples of the two countries. However, it is regrettable that the various Thai ultrarightist reactionary forces have pursued a hostile policy toward the LPDR by conducting provocations, launching nibbling attacks against three Lao villages, and creating tension along the Lao-Thai border, thus running counter to the legitimate aspirations of the two peoples.

For this reason, in conformity with the overall trend of resolving clashes through talks for the sake of peaceful coexistence in the region, the Thai side must display sincerity for talks with the Lao side and join in resolving problems of mutual misunderstanding. This is to jointly heighten each side's responsibility for the fate of the people in each respective country, thus positively contributing to turning the Asia-Pacific region into a zone of peace, stability, and cooperation.

PREM 'SATISFIED' WITH FINALIZED CABINET LIST

BK110139 Bangkok BANGKOK POST in English 11 Aug 86 p 1

[Excerpt] The Cabinet list has been finalised and problems between the Democrat Party negotiating team and Prime Minister Prem Tinsulanon have been overcome, the BANGKOK POST was told yesterday.

The Democrat leadership assigned to negotiate formation of the government is, however, expected to face a tough session this morning from rank-and-file MPs who are unhappy with their performance.

The question of whether the Democrats would opt to become the opposition is certain to be raised, some MPs said last night.

A source, who is close to the Premier, said Gen Prem ordered the full Cabinet list to be typed out after he met Democrat leader Phichai Rattakun yesterday afternoon.

The atmosphere was said to be good during Mr Phichai's half-hour meeting with Gen Prem, who emerged "satisfied" and ordered the list to be typed.

The source did not give details of the talks, and Mr Phichai, who left the Premier's Si Sao Thewet home shortly after 2:30 pm could not be contacted for comment. [passage omitted]

DEMOCRAT PARTY LEADER PHICHAIR HOSPITALIZED

BK110145 Bangkok BANGKOK POST in English 11 Aug 86 p 1

[Text] Democrat Party leader Phichai Rattakun was admitted to Bamrungrat Hospital yesterday and treated for bronchitis.

Mr Phichai was admitted to hospital at 4 p.m., after he met Prime Minister Prem Tinsulanon at his Si Sao Thewet residence.

Mr Phichai arrived at about 3:30 p.m. along with his family including his son, Bangkok MP Phichit, sources told the BANGKOK POST last night.

The family left at about 7 p.m., sources said.

The sources said Mr Phichai seemed physically weak when he was admitted.

POST reporters were told that Mr Phichai was too ill to make any comment.

Sources said that the Democrat Party leader would stay overnight at the hospital but would be attending the party meeting at 10 a.m. today.

PRC AMBASSADOR CALLS ON, CONGRATULATES PREM

BK080948 Bangkok ZHONG HUA RIBAO in Chinese 8 Aug 86 p 4

[Text] On 7 August Prime Minister General Prem Tinsulanon received PRC Ambassador to Thailand Zhang Dewei for cordial and friendly talks at his Si Sao residence. Ambassador Zhang Dewei warmly congratulated Gen Prem Tinsulanon on his reappointment as prime minister of the Government of the Kingdom of Thailand, wishing his new cabinet greater success in its efforts to develop the country and bring about social prosperity and the people's happiness. He also expressed confidence that the traditional friendship between the peoples of China and Thailand, and the good cooperation between the two countries will strengthen and develop continuously.

Prime Minister Prem said that he has always been concerned with the long-standing good relations between Thailand and China and regarded China as most friendly toward Thailand. He appreciated China's good wishes for Thailand, adding that he is proud to be a friend of China. He asked Ambassador Zhang Dewei to convey his good wishes to Chinese Premier Zhao Ziyang and the Chinese people. Prime Minister Prem also said that the traditional friendship between the peoples of Thailand and China has laid a sound foundation for the development of relations between the two countries. He is confident that the friendly relations between the two nations will further develop.

FOREIGN MINISTRY ON 10 YEARS OF TIES WITH SRV

BK081153 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Aug 86

[Text] On 6 August the Foreign Ministry sent a greetings message to the SRV Foreign Ministry on the 10th anniversary of Thai-Vietnamese diplomatic relations. Following is the gist of the message:

On the 10th anniversary of establishment of diplomatic relations between the Kingdom of Thailand and the SRV, the Thai Foreign Ministry conveys good wishes to the Vietnamese Foreign Ministry. It is the desire of Thailand to have good relations with Vietnam based on respect for each other's national independence, sovereignty, and territorial integrity, as well as noninterference in each other's internal affairs. The past decade of diplomatic relations between Thailand and the SRV has been a period in which Southeast Asia lacked stability. Thailand hopes that far-sighted new leaders in Vietnam will agree with the principle of peaceful coexistence with all neighboring countries, a principle which is recognized by the international community, in the interest of the return of peace and stability to this region and greater mutual benefit of the Thai and Vietnamese people.

THAILAND OPPOSES SOUTH AFRICAN APARTHEID

BK091000 Bangkok Domestic Service in Thai 1300 GMT 8 Aug 86

[Text] On the 30th anniversary of the African women's demonstration protesting the pass law requiring black African people to carry the Pretoria government's pass cards, which falls on 8 August, Deputy Prime Minister and Foreign Minister Air Chief Marshal Sitthi Sawetasila sent a letter to the United Nations expressing Thailand's support for the South African people's struggle against racial discrimination which constitutes a serious violation of the UN Charter and social value upheld by civilized societies.



According to Foreign Ministry Spokesman Sawanit Khongsiri, the Thai Government which adopted a policy opposing apartheid and racial discrimination and in solidarity with the South African and Namibian people in their just struggle against racial discrimination, calls for an end, immediately and completely, to the Pretoria government's policy of apartheid and racial discrimination which resulted in killings of innocent people -- as many as 1,150 died and 7,000 were arrested in September 1984 alone.

MATICHON CARRIES PRINCESS CHULAPHON INTERVIEW

BK101141 Bangkok MATICHON in Thai 8 Aug 86 p 3

[Report on interview given by Princess Chulaphon to Interviewer M.R. Thanatsi Sawatdiwat to be broadcast on the occasion of the queen's birthday, 12 August]

[Text] M.R. Thanatsi: On the occasion of Mothers' Day, today, we are to hear about the activities of Her Majesty the Queen as a mother, as the queen, and in her other capacities which benefit the nation. And there is no other better person to tell us about her than one who is close to her at all times.

I would like to ask your royal highness about rumors that the Queen is suffering from a serious illness. Some sources have even said that she is suffering from paralysis, that she cannot stand up and that she has to stay in her room without going anywhere. Is the rumor in any way true?

Princess Chulaphon: This is utterly groundless. After undergoing an operation in December 1985, the Queen has been recovering steadily. When we take exercise, I myself, although years her junior, cannot keep up with her; I feel like fainting. The queen has been absent from functions because we, her children, have asked her to take a break. If the people are angry, they should be angry with us, the children. She has been working hard for over 30 years as Queen.

We have been helping her, and so we see how hard she has worked. She starts early in the morning. At lunch time, she is again thinking, writing, doing her work. At 0200 or 0300, she is still working. There are no Saturdays or Sundays for her. She teaches us that time waits for no man, and we must carry out our duties fully. When she fell ill, we all realized that it was a good opportunity to have her take a full rest while she was recuperating.

In fact, on the basis of how we, normal people, take our break -- Saturdays, Sundays, holidays, and leave days -- the Queen is entitled to about 5 years of holidays. She has taken only 5 to 6 months of rest, and the rumors have started already. If the people are angry about her absence from social functions, they should blame us children. We all love her and we are concerned for her. Besides, we think that we are all grown up enough to help her shoulder some responsibilities.

Even though she has not appeared in public functions recently, that does not mean that the Queen has stopped working. She remains the driving force behind many projects, as before.

M.R. Thanatsi: I do not think that the people were angry, but rather they are concerned for her. Besides, nobody tells them what is going on or that the Queen needs some rest. There are many people who realize how hard the Queen works. The Thai people are touched by Her Majesty the Queen's dedication to her duties. They are never angry. I have heard that the Queen has been suffering from a chronic illness, some kind of an allergy. Others would never be able to stand the hard work as she has done. She has such strong determination. She never succumbs to weakness. She works until midnight. I myself work without weekend holidays, but I feel tired. I really wonder how the Queen has managed to work without weekends for over 30 years, day and night, in remote areas also. There are rumors because the people do not know the truth. Official statements only tell them the major points, and not the details -- such as she has been advised by doctors to rest. In fact, she is no longer young. Others would already have succumbed to such hard work.

I do not think the people will be angry with her children for advising her to stay away from public functions. They will understand better now after hearing this. We have been waiting for so long to know the truth. I would like to ask your royal highness: when the Queen works until 0200, 0300, does she ask for your help sometimes?

Princess Chulaphon: Most of the time yes, because I am like her personal secretary. I often took her orders and carried them out for her. Her Majesty is not only the Queen, but also as a housewife. I do what I can for her, to help her. However, there are certain things I cannot do for her. For instance, I cannot compete with her in ideas. In such cases, I ask her what I should do, and I do what she tells me. Sometimes, she would call for me at midnight. She would apologize for calling me up late, but said she had to do so because she got an idea and that she would forget it if she did not tell me right away.

This is what happens, and we are all willing to do it for her.

M.R. Thanatsi: I have seen that your royal highness is always with Her Majesty and you are therefore the person most close to her.

Princess Chulaphon: It seems so -- because I am her youngest child. I have always felt very close to my mother since childhood. No matter how I was scolded by her, I have always loved her the same way, and respected her, and always wanted to follow her wherever she goes.

M.R. Thanatsi: I really appreciate what you said. You go to sleep late, don't you?

Princess Chulaphon: I go to sleep late myself, never before midnight. Sometimes I have to take care of my little children. Sometimes, I have work to do myself. I am used to it. I cannot sleep early.

M.R. Thanatsi: The people would like to know about the Queen's regular activities at Chitlada Palace, things the public may not be aware of. Would you please tell us a little about it. For example, at what time did her majesty wake up and start her working days before she fell ill?

Princess Chulaphon: Her majesty goes to sleep or takes her meals depending on her work schedule. The Queen has difficulty in going to sleep. If she cannot go to sleep, she does not remain in bed, but continues working. In that case, if she has no early morning obligations, the Queen may wake up around 1000. From the minute she wakes up she never has time for anything else but work. Even during a meal, she may call for me or her personal secretary, Khunying Supraphada Kasemsan, to assign us duties concerning the cases of the patients whom we have met during our trips, in Bangkok and at villages upcountry. She inquires about the work of following up those cases -- whether those sick people have recovered, whether their families are hard up, whether their children receive proper schooling. She also inquires about every single handicraft project undertaken by the teachers and students under her patronage. Sometimes she sits there from 1100 until 1900 without moving.

As for myself, I admit receiving orders from her during meals many times. She must pity me because she would dismiss me at about 1900 or 2000. The Queen herself continued her work. Sometimes, she has her lunch about 1400 or 1500 and her dinner at about 2200. After that, she would spend her time reading, not for pleasure, but for expanding her knowledge. Otherwise, she would study her Support program [Foundation for the Promotion of the Supplementary Occupations and Related Technique] and the marketing of the products. She used to tell me that we must find the markets for the villagers after teaching them to make products. The Queen would continue working until midnight or 0100. Then she would pray for about an hour. She would continue work until 0300 or 0400. Sometimes she had insomnia and could not get to sleep until 0500 or 0600. When I was a student at Kasetsart University, when I still lived with her and had my bedroom next to hers, I woke up at 0600 one day to see her walking in front of her room. I greeted her and said she was up very early. She replied that she still had not gone to sleep. This is how it has been.

When we made trips upcountry and she had to attend functions at about 0900 or 1000, she never adjusted her schedule to go to sleep earlier. When working upcountry, she refused to stop if the work had not been done. All of the thousands of sick people waiting for us must get the checkups. She is like that. She used to tell me: You must consider those sick people your own children and your own relatives, not just villagers. We must give them the best.

Concerning this, we would start our mobile service early in the morning. About 2,000 sick people would be waiting for us. Some of them had not had a checkup by sunset, but she never abandoned the job. As for the handicraft project, she would sit there to examine the silk or other products brought by the villagers and give them advice about the design or the measurements. Once I remember I was with her on such a duty when we returned home at 0300 without any meal or any rest. About 12 hours work nonstop.

Before she fell ill, she went out every day to see the villagers. She said that we have such a short time for each part of the country. It was great when we could spend 2 months in certain provinces. She thinks about how many districts in a province, how many tambons in a district, and how many families in a village. She is farsighted and plans for it.

M.R. Thanatsi: I feel that she has worked too much for too long without thinking of being hungry, of her meals, or her difficulties. I think this is really a magic thing. A common man would not survive after 1 year of such hard work. How can she do it?



Princess Chulaphon: She has such a strong determination. I do not know what to say myself. I have been with her all my life, and yet I have never heard her complaining about being tired. I once asked her if she was tired. She said it was all right, she was not tired. She said other people have more difficulties than she. She only thinks of others, never of herself.

M. R. Thanatsi: I feel that only those close to her or those villagers in remote areas are aware of how hard the queen has worked. Meanwhile, the people in Bangkok or in urban areas do not seem to know much about her apart from what they see on television. There have been rumors about the Queen taking over duties.... forgive me for asking, your highness, but I have to ask the truth from you.... there has been talk that the Queen has taken over duties from His Majesty the King.

Princess Chulaphon: It's not true at all. Both His Majesty and Her Majesty are considered one, and Her Majesty would perform any kind of duties in service of His Majesty the King. She has the obligation toward him not only because he is her husband, but because he is the king. She has always told her children: We must dedicate ourselves to His Majesty the King because we owe him our gratitude. We must be loyal to him. Therefore in doing our work, we never compete with one another. Neither the King, nor the Queen, nor Princess Sirinthon, nor I myself, none of us ever think of competing with one another in order to appear more on television or in the newspaper. We carry out our duties according to the share we have been given. The King is responsible for matters concerning irrigation, water resources, and agriculture. He is being assisted by Princess Sirinthon. Her Majesty the Queen is interested in matters concerning health and welfare of the public, and she is assisted by me.

Again, there have been rumors that we are divided into camps -- the king's camp and the queen's camp. This is not true. I must admit to you that the Queen has been trying to encourage me to help the King on his work, concerning maps and other matters as well, but I am not keen on it. I cannot do it. On the other hand, I am interested in medication. That is why I have chosen this line instead of meddling with the work of His Majesty -- I would only give him more headaches.

M. R. Thanatsi: By helping Her Majesty the Queen, your highness has become close to her. This is not competing with one another, but sharing the work. This is a complete cycle. If it were a company, it would prosper. Therefore the rumor about you competing with each other for the sake of popularity is not true.

Well, we have learned many things, especially about how hard Her Majesty the Queen has been working. No ordinary people could work like her. This is why she has fallen ill. She has had such a hard time not being able to have regular meals or go to the bathroom when she needs. Anyway, I have heard that her majesty's condition has greatly improved.

Princess Chulaphon: There are no more medical bulletins on her health because she has fully recovered, but we the children continue to insist on her taking more rest. We always tell her that she does not need to do this or that because they are not important functions that need her presence.

#### Queen Postpones Audiences

BK110219 Bangkok BANGKOK POST in English 11 Aug 86 p 1

[Text] Audiences granted by Her Majesty the Queen to birthday well-wishers have been rescheduled from this afternoon until next Monday, it was announced yesterday.

Thanpuying Supraphada Kasemsan, principal private secretary to Her Majesty, said the postponement was made necessary by rain which might inconvenience well-wishers visiting the Queen at Chitlada Palace.

#### OFFICIALS WELCOME DROPPING OF JENKINS BILL

BK080125 Bangkok BANGKOK POST in English 8 Aug 86 p 13

[Excerpts] Thai Government officials and the private sector yesterday joined several textile exporting countries in welcoming the decision of the U.S. House of Representatives to drop the controversial Jenkins Bill, the issue having now come to an end.

The failure to pass the bill means that the country's garment export quotas to the U.S. for 1987 and 1988 will not be affected as earlier feared.

Industry Minister Dr Chirayu Itsarangkun na Ayutthaya said that the rejection will certainly help improve bilateral trade relations between the two countries.

"It was a great relief for us to get this breathing space," said Foreign Trade Department [FTD] director-general Oranut Osathaon, who has been greatly involved with the restrictive bill.

The feeling was shared by Thai Garment Manufacturers Association president Wirot Amatakunchai and the National Federation of Thai Textile Industries president Wichian Traiwongphaisan.

Mrs Oranut said that this would at long last rid Thailand of the worry over the negative impact the bill could have had on Thailand.

The FTD chief also expressed that the U.S. will not try to introduce a similar trade restriction again. [passage omitted]

Mrs Oranut said that she believed that the failure to approve the bill might also be because of the recent renewal of the Multi-Fibre Arrangement in Geneva, which saw several new items being added to the existing agreement as sought by the U.S.

Besides, several major exporters of textiles and garments, including South Korea, Taiwan and Hong Kong, have entered into agreements with the U.S., limiting their export growth to America as a "sacrifice," in order to kill the Jenkins Bill which could have hurt them badly.

She went on to say that a Thai mission, led by herself, will leave for the U.S. on August 11, to negotiate with U.S. authorities over unresolved problems on certain categories, including CATs 434, 636, 611, 301/311, particularly on the amount of quotas.

The mission, she said, would try to negotiate for the highest possible quota volume. [passage omitted]

**SPOKESMAN REJECTS SOVIET STAND ON CAMBODIA**

BK081515 Bangkok Television Service in Thai 1300 GMT 8 Aug 86

[8 August statement by Thai Foreign Ministry Spokesman Sawanit Khongsiri<sup>0</sup> given at the Foreign Ministry -- recorded]

[Text] Soviet Communist Party General Secretary Gorbachev made a statement recently in Vladivostok about the problem in Cambodia. He said the Cambodia problem is a domestic problem of Cambodia to be settled by conflicting parties in that country. Concerning this, Thailand, other ASEAN members, as well as about a hundred countries in the United Nations disagreed with the Soviet Union. We hold that the problem in Cambodia is to be settled by Vietnam and Cambodia. In 1978, Vietnamese soldiers marched into Cambodia on aggression and toppled the legitimate government of Cambodia. The settlement of the problem in Cambodia therefore cannot be tackled among the conflicting parties in Cambodia. It is a problem to be settled by the aggressors on one hand, and the attacked on the other hand, that is, between Vietnam and Cambodia.



NHAN DAN REPORTS ON GORBACHEV VLADIVOSTOK SPEECH

BK071145 Hanoi NHAN DAN in Vietnamese 30 Jul 86 pp 1, 4

[VNA report]

[Text] On 28 July in Vladivostok, Comrade M.S. Gorbachev, general secretary of the CPSU, presented the highest Soviet award -- the order of Lenin -- to this city. This large industrial and cultural center of the Soviet Union, situated on the shore of the Pacific, was rewarded for its achievements in economic and cultural construction and for its great contributions to economic development in the Far Eastern region of the Soviet Union.

**Established Goals Can Only Be Attained on If We Learn Continuously and Deepen Our Thoughts Constantly**

Speaking at the awards ceremony, Comrade M.S. Gorbachev dealt with the domestic situation following the 27th CPSU Congress. He pointed out the positive changes that have taken place in the economy: Greater dynamism in economic processes and improvements in the rate of production development and labor productivity. The work situation in the machine manufacturing sectors, fuel-energy and agricultural-industrial combines; the ferrous metal sector; and some other sectors has improved. Social tasks have also been carried out more satisfactorily.

Comrade M.S. Gorbachev urged everyone not to feel complacent. He clearly pointed out that the most important economic, social, and organizational measures have only just been implemented. He said: "We are embarking on a complex undertaking. We are setting for ourselves realistic, yet difficult goals, the attainment of which is only possible on condition that we learn continuously from life and deepen our thoughts constantly on its experience, lessons, and new trends."

Comrade M.S. Gorbachev dealt in detail with the issues of economic development in the Far Eastern region of the Soviet Union and set forth the task of turning this region into a highly developed national economic combine. He described the most important trends of economic activities as using oceanic resources and the rich coastal mineral deposits more fully and stepping up development of the fuel-energy combine of the Far East. He also pointed out the need to utilize the capabilities of the Far East for promoting economic cooperation with other countries in Asia and the Pacific.

He paid special attention to developments in the social field.

**The Soviet Union's Peace Initiatives Have Won Sympathy and Support From Broad Sections of World Opinion**

Comrade M.S. Gorbachev devoted a considerable part of his speech to international issues.

He said: The notion that peace is needed by all is powerfully penetrating the consciousness of all nations, even in places where the governments continue to regard weapons and war as a means of politics. It is needed by all precisely because a nuclear war would not be a clash merely between two blocs, between two opposing forces. It would lead to a global catastrophe in which mankind's civilization would find itself under the threat of doom.

The comrade clearly pointed out that the Soviet Union's initiatives for nuclear disarmament and a considerable cut in conventional arms and armed forces and for monitoring and improving the international atmosphere have been supported by the countries of the socialist community and the developing countries and given serious consideration by broad sections of social activists and even by practical-minded Western business representatives. Meanwhile, in many capitalist countries, forces blindly hostile to socialism that enrich themselves by waging wars continue to hold away. The U.S. ruling circles and a number of their allies try to portray the Soviet Union's initiatives as pure propaganda or beneficial only to the Soviet Union.

Time is insisently demanding a new understanding of the current rate of development of civilization; of international relations; of the world, a world that is contradictory and complex but objectively united by ties of interdependence and international relations which, even taking into account all the differences and clashes of interests, no longer allow one to live according to the traditions of the "law of the fist" that has existed for thousands of years. Time is also demanding a civilization clearly demonstrating the unprecedented power of human intellect and labor and, at the same time, its fragility and vulnerability to the forces that have been released by human genius but put at the service of destruction.

All this dictates the need for an urgent radical break with many conventional approaches to foreign policy, a break with the traditions of political thinking, and with views on the problems of war and peace, on defense and security of a number of countries and on international security. In this connection, it can be easily understood that our views and radical proposals of global significance, such as the program for liquidating nuclear and other mass destruction weapons in this century, for a total ban on testing nuclear arms, for banning chemical weapons, and for cooperation in the peaceful use of space, and for a whole series of other proposals concern the entire world and all countries.

**The Lessons of Vietnam's Victory Highlight the Invincible Strength of the Idea of Freedom and Socialism**

The main problem before mankind today is the problem of survival; it is equally acute and urgent for Europe, Africa, America, and Asia. It takes a different shape, however, for each part of the world. And so, since I am here in Vladivostok, it is natural to look at world political issues from the Asia-Pacific angle.

Such an approach is justified on many counts -- above all, because a large part of our country's territory lies east of the Urals, in Asia, Siberia, and the Far East. It is here that many all-union tasks put forward by the party congress will be resolved. Naturally, the situation in the Far East as a whole, in Asia and the adjacent oceanic expanses where we have for a long time been permanent residents and sailors, is for us a national, state interest. Many major states are situated on this huge expanse, almost half the earth, including the Soviet Union, the United States, India, China, Japan, Vietnam, Mexico, and Indonesia. There are states here considered to be medium-sized, but which according to European standards are fairly large -- Canada, the Philippines, Australia, and New Zealand -- and, together with them, dozens of comparatively smaller and also quite small countries. Some of them have a millenium and many centuries of history; others were formed in modern times; and many came into being very recently.

Each country has a political and social system characterized by its own features, traditions, successes and difficulties, lifestyle and faith, and confidence and political views; and each is aware of its own spiritual and material values. Each country has something to be proud of and to be cherished in the treasure of mankind's common civilization.



How development of the socioeconomic system will continue here and which processes will become dominant in the relations between countries are questions that will greatly influence the destiny of the entire world.

Socialism is an integral factor in the tremendous and difficult changes in this region. As a result of the success of the Great October Revolution and the victory of the war against fascism and Japanese militarism, as a result of the success of the great Chinese revolution, and after a new social system was established in Mongolia and in the last of Korea, whose people displayed unusual steadfastness in the struggle for a socialist future for their motherland, and afterward in Vietnam and Laos, socialism secured firm positions in Asia. But it was here that it had to face the most brutal and cynical opposition. Vietnam is the most vivid example of this. The heroic experience of Vietnam and the lessons of its victory over imperialism have once again accentuated the invincible strength of the ideas of freedom and socialism.

However, we also note many other things in Asia and Oceania. There, the dignity of people is outraged by colonialism; the consequences of poverty, illiteracy, and backwardness; and, together with them, deeply seated prejudices are still maintained to foment mistrust and hatred among people of different nationalities, including those living together within a nation. Imperialism has taken advantage of the difficulties and vestiges of the past to provoke regional conflicts and massacres among different ethnic and religious groups and to cause political instability.

In all places where independence is becoming a noticeable international force and where a threat arises to the exploitative interests of imperialism, imperialism resorts to its most favorite means: economic blackmail, intrigues against the leadership of a country, interference in internal problems, support for separatist elements, and giving aid to our even blatantly arming counterrevolutionaries and terrorists. The Punjab and Tamil problems, which imperialism also wants to turn against India; the undeclared wars against Cambodia and Afghanistan; the annexation of Micronesia; interference in the Philippines; and pressure on New Zealand -- these examples alone are sufficient to show how the contemporary mechanism of intervention and pressure policy of imperialism work.

#### **We Advocate Jointly Establishing New, Equitable Relations in Asia and the Pacific**

The Soviet Union is also an Asian-Pacific country. The complex issues of this large region closely concern the Soviet Union, and the Soviet Union is directly involved in these issues. This also decides the calculated and large-scale viewpoint toward this vast part of the world where there are so many different countries and nations. Our way of raising the issues concerning this region is based on a recognition and understanding of the outstanding realities here. At the same time, our interests consist of neither an ambition to have certain prerogatives or special positions, nor a selfish bid to consolidate our own security at the expense of others, nor the seeking of benefits detrimental to others. We see our interests in the pooling of efforts and in cooperation on the basis of total respect for the right of each nation to live according to its own choice and to settle independently its own problems under peaceful conditions.

**We advocate jointly establishing new, equitable relations in Asia and the Pacific.**

It is necessary to admit that the process of militarization that increases the danger of war in this region is starting off at a dangerous speed. The Pacific is being turned into a zone of military and political confrontation. [paragraph continues]



This is the very reason why nations living here feel more and more worried each day. This also makes us worry in all fields, including the security aspect of the Asian part of our country.

In the Soviet Union's foreign policy, the Asian-Pacific region is an integral part of the general line of the CPSU for its international activities, which was charted at the April 1985 party Central Committee plenum and the 27th Party Congress. However, a line is not a formula that can be applied under all circumstances. To put it more correctly, it consists of principles and methods based on experience.

Proceeding from this, how can we visualize the process of ensuring international security and coordinating actions for peace in this vast region?

First, implementing the principled line of the 27th Party Congress, the Soviet Union will strive to strengthen its relations with all countries in this region without any exception. We will strive to consolidate friendship and multiform relations with the MPR, the DPRK, the SRV, the LPDR, and the PRK. We consider the relations built on the principles of equality and solidarity with our friends to be an integral part of the common system of security in Asia and the Pacific. For instance, together with the leadership of the MPR, we are now looking into the question of withdrawing a considerable part of the Soviet forces from Mongolia.

We are ready to broaden our relations with Indonesia, Australia, New Zealand, the Philippines, Thailand, Malaysia, Singapore, Burma, Sri Lanka, Nepal, and the Maldives, and with all young and independent participants in the political life of the region. We already have diplomatic relations with some of them, including Papua New Guinea, Western Samoa, the Kingdom of Tonga, Fiji, the Republic of Kiribati, the Republic of Nauru, Tuvalu, the Republic of Vanuatu....

Speaking in a city close to the PRC, I want to refer to the main point of our relationship with that country. This relationship is of special importance due to a number of factors. First of all, we are neighbors. We share the longest land border in the world; and therefore, we as well as our children will have to live next to each other forever. But, naturally, things do not stop there. History has placed on the shoulders of the Soviet and Chinese peoples a very important mission.

In recent years, marked improvements have been made in our relationship. I want to affirm that the Soviet Union is ready, at any time and at any level, to discuss with China in the most serious manner the problems concerning supplemental measures aimed at creating an atmosphere of good neighborliness. We hope that in the not distant future, the border that separates us -- I only want it to be a border that joins us -- will become a border of peace and friendship.

In our relations with Japan, there have been indications of a change for the better, and we hope that this change will materialize.

In the Pacific region, the Soviet Union also borders on the United States. This is a close neighbor, in the literal sense of the word, since it is only 7 km from the Soviet Union, just the distance between the Soviet island of Big Diomed and the American Little Diomed.

We clearly realize that the United States is a great power in the Pacific because, first of all, a significant part of the country's population lives on the shores of that ocean.

The western part of America, which extends to the Pacific, is playing a growing role in the country's life and is distinguished by its dynamism. The United States undoubtedly has important legitimate economic and political interests in the region. There is no doubt that without the United States, without its participation, one cannot solve the problem of security and cooperation in the Pacific in a manner satisfactory to all states in the region. Unfortunately, Washington has so far failed to show any readiness for this -- it is not even contemplating serious talks on the subject of the Pacific; and if this theme is touched upon, then it steps onto the well-trodden path of "Soviet threat" and saber-rattling to further strengthen this myth. Our approach to relations with the United States is known to all. We are for peaceful, goodneighborly relations on an equal footing and for mutually advantageous cooperation. While on the subject, I would like to add that there are quite a few opportunities for such cooperation both in the Far East and the Pacific.

As I am talking about the United States, I would also like to add a few more words about the most important issue today in our relations: the ending of the arms race. Since the Geneva meeting, the Soviet Union has put forward many major proposals on all the aspects of reducing and eliminating arms and on verifying this process. However, we have not yet seen any reciprocal move from the U.S. side. We, in essence, have still been regaled with the same fare as before the Geneva meeting.

In order to overcome this stalemate, we have done even more to meet the other side. In my letter in June to the U.S. President, we put forward new, major compromise proposals. Since coming here, I have received a reply from President Reagan. The letter calls for thought, and we have begun to study it. We will deal with it with responsibility and attention. For us, what is important first and foremost is to what extent the proposals contained in the letter respond to the principle of equal security; do they allow us to arrive at effective joint solutions in the field of ending the arms race and not allowing its extension to space? It is in accordance with this that we will determine our future steps. As far as a new Soviet-U.S. summit meeting is concerned, I can repeat that we favor such a meeting, but are resolutely opposed to the accord reached at the last meeting in Geneva being interpreted as allegedly coming down to a promise to meet again in the future. No. The main thing that President Reagan and I agreed on then, and what we signed, was an agreement that we would strive for normalization of Soviet-U.S. relations and an improvement in the international situation, and that we would speed up the course of the talks on arms reduction. This is what the new meeting should serve as well.

We often hear from abroad various rumours about the Soviet Union beefing up its military might in the east of the country. With a full sense of responsibility I state that we are neither doing, nor shall we do, anything in excess of what is necessary to meet the minimum requirements for our defense and for the protection of our friends and allies, especially taking into account U.S. military activities not far from our and their borders.

We would propose a Pacific Ocean conference along the lines of the Helsinki Conference, with the participation of all countries situated on the coasts of this ocean, as an objective, if not a close one. When (and, of course, if) there is success in agreeing to its convocation, it will be possible to agree on where it should be held as well. One possibility is Hiroshima. Why should not that city -- the first victim of the atomic evil -- become a distinctive Helsinki for Asia and the Pacific Ocean?

To conclude, I want to stress once again that we favor including the Asia-Pacific region in the general process of creating an all-embracing system of international security, which was discussed at the 27th CPSU Congress. How do we envisage this in concrete terms?



First of all is the issue of a regional settlement. I will speak of Afghanistan separately. I will now deal with Southeast Asia and Cambodia. The Cambodian people have experienced terrible sacrifices. This country, its cities and villages, were more than once subjected to U.S. bombing. Through suffering, it has earned the right to choose its friends and allies. It is unacceptable to draw out its tragic past and decide the fate of this country in distant capitals or even in the United Nations.

Much here, as in other problems of Southeast Asia, depends on the normalization of Sino-Vietnamese relations. This is the sovereign affair of the governments and leaderships of the two countries. We can only express our interest in seeing the border between these two countries again becoming one of peace and good-neighborliness and in renewed dialogue with unnecessary suspicions and distrust removed. This moment seems propitious, and the whole of Asia needs it.

In our opinion, there are no unsurmountable obstacles to establishing mutually acceptable relations between the countries of Indochina and ASEAN. Given goodwill and conditions of noninterference from outside, they could at the same time settle their problems for the good of general Asian security.

There is the possibility of not only eliminating the dangerous tension on the Korean peninsula but also of beginning a movement along the path of solving the national problems of all the Korean people. If one starts from truly Korean interests, there are no rational grounds for rejecting the serious dialogue being proposed by the DPRK.

Second, we favor erecting a barrier to the proliferation and build-up of nuclear arms in Asia and the Pacific.

Third, we propose starting talks on reducing the activity of naval fleets -- first of all, ships equipped with nuclear arms -- in the Pacific Ocean.

Fourth, the Soviet Union ascribes great significance to the radical reduction of armed forces and conventional weapons in Asia up to the limit of reasonable sufficiency.

Fifth, the Soviet Union considers the time long ripe to place on a practical footing discussions of confidence-building measures and the nonuse of violence in the region. It is possible to start with simpler measures, for example, security measures concerning maritime communications in the Pacific Ocean and averting international terrorism. It would be possible to hold a conference for the discussion and working out of such steps in one of the Soviet coastal cities.

By the end of 1986, the Soviet Union will withdraw six regiments of its troops from Afghanistan.

In conclusion, concerning Afghanistan, it was stated from the rostrum of the 27th CPSU Congress that we are prepared to send home the Soviet troops who are in that country at the request of its government. As you know, comrades, the party now firmly maintains the principle: Behind words are action. Having thoroughly evaluated the present situation and consulted with the DRA Government, the Soviet leadership has adopted a decision that I will officially announce today.



By the end of 1986, six regiments -- one tank regiment, two motorized infantry regiments, and three antiaircraft regiments -- along with their established equipment and weapons will be withdrawn from Afghanistan. These units will return to the regions of their permanent deployment in the Soviet Union in such a way that all those for whom this may be of interest may be easily convinced of it.

Undertaking this serious step -- about which we have already informed interested countries, including Pakistan -- the Soviet Union is striving to hasten a political settlement and to provide yet another stimulus toward it. It also takes as a starting point the fact that those who are organizing and implementing armed intervention against the DRA will correctly understand this unilateral step that we have taken and will evaluate it properly.

The response to this step must be the curtailment of outside interference in the internal affairs of the Democratic Republic of Afghanistan.

Some progress was recently achieved at the Afghan-Pakistani talks being conducted through representatives of the UN secretary general. As soon as a political settlement is firmly worked out, the withdrawal of all Soviet troops from Afghanistan can be speeded up accordingly. An agreement on the timing and stages of this withdrawal has been reached with the Afghan leadership.

However, all those who encourage and finance the undeclared war against Afghanistan, and from whose territory it is waged, should know that if intervention against the Democratic Republic of Afghanistan continues, the Soviet Union will not leave its neighbor in the lurch. Our internationalist solidarity with the Afghan people and the security interests of the Soviet Union rule this out absolutely.

The Soviet state calls on all Asia-Pacific countries to cooperate for the sake of peace and security. Anyone who aspires to these goals and hopes for a better future for his people will find us interlocutors of good intent and honest partners.

#### FOREIGN MINISTRY ON DECADE OF TIES WITH THAILAND

OW091605 Hanoi VNA in English 1552 GMT 9 Aug 86

[Text] Hanoi VNA August 9 -- The Ministries for Foreign Affairs of Vietnam and Thailand have exchanged greetings on the 10th anniversary of the establishment of diplomatic relations between the two countries (August 6).

The message of the Vietnamese Foreign Ministry says:

"The Foreign Ministry of the Socialist Republic of Vietnam takes this opportunity to reaffirm the consistent policy of the S.R.V. of respecting the independence, sovereignty and territorial integrity of Thailand and all other countries, and its readiness to build and develop a relationship of friendship, cooperation and good neighbourliness with Thailand and all other countries.

"The Foreign Ministry of the S.R.V. believes that with good will from both sides, we are fully able to solve all outstanding questions between the two countries, in the interest of the people of our countries, and of peace, stability, friendship and cooperation in Southeast Asia."

AUSTRALIATRADE MINISTER URGES FARMERS TO BUY FROM USSR

BK090804 Melbourne Domestic Service in English 0430 GMT 9 Aug 86

[Text] United States moves to widen wheat subsidies has led to an Australian Government offer to closer trade links with the Soviet Union. The trade minister, Mr Dawkins, has written to his Soviet counterpart, Mr Aristov, offering assistance to promote the sale of tractors and other farm machineries.

Will Atkins in Canberra:

[Begin Atkins recording] Mr Dawkins said Australia's offer to the USSR followed the severe undermining of Australian wheat markets by the American move. He said Australian farmers continued to buy United States machinery and other imports and urged them to look at the Soviet Union as a supplier of some equipment such as tractors and generators.

Mr Dawkins said the Soviet Union was one of Australia's biggest wheat customers with whom it enjoyed a large trade surplus and Australia could not afford to ignore the source of export receipts in determining its future trading relationship.

Mr Dawkins has invited Mr Aristov to launch a major Soviet trade display in Australia and said the federal government would help. [end recording]

FARMERS' DELEGATION TO LOBBY IN WASHINGTON

BK071314 Melbourne Overseas Service in English 0830 GMT 7 Aug 86

[Text] The National Farmers Federation of Australia says it will send a delegation to the United States early next month to continue the work started by the all-party parliamentary delegation.

The parliamentary delegation returns from Washington this week after trying to halt the sale of subsidized wheat to the Soviet Union and China. The United States ignored the protest and announced the sale of 4 million tons of subsidized wheat to the Soviet Union.

The farmers Federation's president, McLachla, will lead its delegation which is leaving Australia at the start or next month. The farmers want to lobby senior congressmen and members of the Reagan administration in Washington to press Australia's case for opposing the sale of subsidized farm products on world markets.

The delegation will also meet with American farmers as well as producers from all the major food exporting countries.

FOUR ARRESTED IN PROTEST AGAINST U.S. NAVY SHIP

BK100812 Melbourne Overseas Service in English 0430 GMT 10 Aug 86

[Text] Four people have been arrested during clashes between police and protesters after the docking of the American warship "Chandler," in Brisbane. Antinuclear demonstrators on surfboards and small dinghies attempted to board the ship and erect placards on the side. However, they retreated when "Chandler's" crew menaced them with a fire hose.

Three men and one woman are expected to be charged later today, the woman with wilful damage after her car collided with a police vehicle. The warship was forced to dock without the help of tug crews and linesmen, who had black banned it.

#### HAWKE FORESHADOWS 'POLITICALLY UNPOPULAR' BUDGET

BK100754 Melbourne Overseas Service in English 0430 GMT 10 Aug 86

[Text] The prime minister said today the federal government would continue to make tough economic decisions no matter how politically unpopular they appeared. Speaking about next week's federal budget during a television program, Mr Hawke said it was probably the most important budget the government would hand down. While he believed the budget would be responsible for putting the country back on a sound economic footing it would also be politically difficult.

[Begin Hawke recording] I will not avoid making the decisions, as politically unpalatable as they may be now, on the basis that they might be more politically healthy for me. If I believe [words indistinct] hard, tough decisions have to be taken now to ensure the long-term economic health of this country, they will be taken. [end recording]

On the same program Mr Hawke said he hoped to win over the two Labor premiers who voiced opposition to government's fringe benefits tax. Both the New South Wales premier, Mr Unsworth, and his West Australian counterpart, Mr Burke, have said the tax will result in increased unemployment. The issue is likely to be raised during talks between the prime minister, Mr Hawke, and Mr Unsworth in Canberra later today. Mr Hawke said he also hoped to meet Mr Burke on the same subject and was confident that both premiers would be persuaded of the equity and good sense in what the government was doing. He denied that there was a specific plan to water down or streamline the fringe benefits tax legislation.

[Begin Hawke recording] If there are ways which become clear as the new tax comes in of simplifying its application, of course, we will do that. This is not something which is unique to the fringe benefits tax. Any new tax of some substance will obviously have some bedding down problems. [end recording]

#### NEW ZEALAND

#### POLL SHOWS OPPOSITION PARTY GAINS GROUND

HK100658 Hong Kong AFP in English 0619 GMT 10 Aug 86

[Text] Wellington, Aug 10 (AFP) -- New Zealand's opposition National Party has gained ground and is now only the percentage point behind the government, according to the latest public opinion poll here.

The ruling Labour Party lost four points to 48 percent of public support, while National under new leader Jim Bolger jumped seven points to 47 percent, according to the poll by the national research bureau in late July. National achieved its best showing since 1978.

The poll was taken as the government of David Lange was handing back into French control two French secret agents jailed for the Rainbow Warrior bombing here.



Some observers said that the Rainbow Warrior settlement had led to a "one-shot loss" of support by the government, which would soon regain its poll edge.

But others suggested that Mr Lange's credibility had been permanently damaged by the Rainbow Warrior settlement, under which New Zealand was paid seven million U.S. dollars compensation in return for the two French secret agents being released from New Zealand jails into French custody.

The poll shows 18 percent of voters remained uncommitted at this stage in the run-up to next year's election, due by September, with some 15 percent of Labour support from the last election in the uncommitted category. At the same time, Labour had gained more from the collapse in minority party support than had the national opposition.

It was the first poll success for National since Mr Bolger, a conservative North Island farmer, ousted former leader Jim McLay, an urban liberal lawyer.

The National Party has taken several steps to the right of the spectrum in the past year as it has sought to counter the free-market economics of the Lange government -- policies which have undercut National's traditional policy ground.

MALAYSIAMAHATHIR ANNOUNCES NEW CABINET LINEUP 11 AUG

BK110604 Kuala Lumpur Domestic Service in Malay 0530 GMT 11 Aug 86

[Text] Four new ministers have been appointed to the new cabinet, the full list of which was announced by Prime Minister Datuk Sri Dr Mahathir a while ago. The four ministers are Datuk Sri Najib Tun Razak and Datuk Dr Lim Keng Yaik. [sentence as heard] Datuk Sri Najib is appointed Minister of Culture, Youth, and Sports, while Datuk Lim Keng Yaik replaces Datuk Paul Leong as Minister of Primary Industries. Several ministers have been moved to other ministries -- Datuk Chan Siang Sun is now Minister of Health, Datuk Dr Sulaiman Haji Daud is Minister of Land and Regional Development, Datuk Rais Yatim is Minister of Foreign Affairs, replacing Tengku Ahmad Rithauddeen, who is now Minister of Information, Datuk Shahrir Abdul Samad is Minister of Welfare Services, replacing Datuk Abu Hassan Omar, who is now Minister of Federal Territory.

Datuk Sri Dr Mahathir also appointed two new ministers in the Prime Minister's Department, namely Kasitah Gadam from Sabah and Datuk Ajib Ahmad, who is former chief minister of Johor. Encik Ghafar Baba retains his post as deputy prime minister while assuming two other posts, namely Minister of National and Rural Development, and Minister of Housing and Local Government. The prime minister also retains his post of Minister of Home Affairs, assisted by Datuk Megat Junid.

Datuk Sri Dr Mahathir also said that the government will (?implement) the Barisan Nasional manifesto announced shortly before the last general elections. The government will quickly improve the current economic situation, adding that the new cabinet lineup is based on [words indistinct].

Two ministers have been dropped -- Datuk Adib Adam and Datuk Paul Leong, former Minister of Primary Industries. The latter is not reappointed at the request of the Gerakan Party leader Dr Lim Keng Yaik. Eleven ministers, including Abdullah Haji Ahmad, Datuk Sri Sanusi Junid, and Anwar Ibrahim, retain their ministerial posts. The minister of justice will be appointed later.

## Cabinet list

BK111024 Hong Kong AFP in English 1003 GMT 11 Aug 86

[Text] Kuala Lumpur, Aug 11 (AFP) -- Prime Minister Mahathir Mohamad's new cabinet line-up was announced Monday:

Deputy prime minister/Minister for  
National and Rural Development/Minister  
for Housing and Local Government  
Ministers in the prime minister's  
department

Labour minister

Home minister

Welfare Services

Culture, youth and sports  
ministerLand and regional development  
minister

Works minister

Ghafar Baba

Ajib Ahmad

Kasitah Gadam

Lee Kim Sai

Mahathir Mohamad

Shahrir Abdul Samad

Najib Tun Razak

Dr. Sulaiman Daud

Samy Vellu

Health minister  
Finance minister  
Foreign minister  
Education minister  
Information minister  
Transport minister  
Trade and Industry minister  
Defence minister  
Agriculture minister  
Public enterprises minister  
Primary industries minister  
Science, technology and  
environment minister  
Energy, telecommunications  
and posts  
Federal territory minister

Chan Siang Sun  
Daim Zainuddin  
Rais Yatim  
Anwar Ibrahim  
Tengku Ahmad Rithauddeen  
Dr. Ling Leong Sik  
Tengku Razaleigh Hamzah  
Abdullah Ahmad Badawi  
Sanusi Junid  
Rafidah Aziz  
Dr. Lim Keng Yaik

Stephen Yong

Leo Moggie  
Abu Hasan Omar

#### New Cabinet Sworn In

BK111130 Kuala Lumpur BERNAMA in English 1116 GMT 11 Aug 86

[Text] Kuala Lumpur, Aug 11 (OANA-BERNAMA) -- Prime Minister Dr Mahathir Mohamad and his new cabinet were sworn in before the Yang Di-pertuan Agong (king) at Istana Negara (National Palace) Monday.

The ministers, including Deputy Prime Minister Ghafar Baba, took their oath of office and pledge of loyalty as well as the oath of secrecy.

Dr Mahathir took his oath of office before signing the appointment letter.

He was followed by Ghafar Baba, then by the other ministers in groups of five.



TEMPORARY CEASE-FIRE SIGNED WITH MUSLIMS

BK091307 Hong Kong AFP in English 1257 GMT 9 Aug 86

[Text] Manila, Aug 9 (AFP) -- The military and Moslem separatists have agreed to a temporary ceasefire while a government panel visits Saudi Arabia to hold talks with insurgent leaders, the PHILIPPINE NEWS AGENCY (PNA) said Saturday. The agreement provides for a halt in hostilities between the armed forces and the Moro National Liberation Front (MNLF) in the southern island group of Sulu, and freedom of movement for both groups, PNA said. The temporary ceasefire, signed Friday in the southern town of Mainbung in Jolo Island, would remain in effect while peace talks are pursued by MNLF leaders, the official news agency added.

The agreement was reportedly signed a day before Candu Muarip, President Corazon Aquino's Moslem affairs minister, left for Jeddah, Saudi Arabia at the head of a government panel to negotiate with exiled MNLF chief Nur Misuari. The MNLF has been waging a 14-year-old guerrilla campaign for a separate state for the minority Moslems in Mindanao and other southern islands. MNLF factions loyal to Mr Misuari are based in Sulu. Two other factions favouring autonomy operate in Mindanao.

(Meanwhile, in the northern Mindanao city of Cagayan de Oro, the governor of Misamis Oriental province said Saturday that he is negotiating with local communist guerrilla leaders for a long-term cease-fire in 10 provincial towns. Governor Vicente Emano said the rebels were "amenable to continuing the cease-fire" if the military will issue "an official statement that they are also amenable to a cease-fire." He said he held two days of talks with Communist Party of the Philippines (CPP)-New People's Army (NPA) leaders of the region last week.)

(Regional military chief Brigadier General Mariano Adalem told AGENCE FRANCE-PRESSE: "We are willing ... provided it leads to a discussion of final cessation of hostilities and the final solution of the insurgency problem nationwide.") The communist underground had previously rejected any regional ceasefire arrangements, but has named two emissaries to peace talks being held at the national level. Mrs Aquino initiated the talks in a bid to seek a political solution to the 17-year-old rebellion now being waged by some 16,500 NPA guerrillas.

COMMUNISTS AGREE TO PARTIAL CEASE-FIRE

HK100103 Manila Far East Broadcasting Company in English 0030 GMT 10 Aug 86

[Text] Communist insurgents have agreed to a cease-fire in the major portion of the southern island of Mindanao. The Philippine official news agency said yesterday officials of the Communist Party of the Philippines and its military arm, the New People's Army agreed to stop operations against government forces following talks with some of the region's civilian officials. The Philippine News Agency said that on being informed of the breakthrough, the area's military commander immediately ordered his troops to also cease operations against the rebels in the region. The region covers six provinces in the northern part of Mindanao, the Philippines' second largest island, the scene of some of the bloodiest clashes between rebels and government forces in recent years.

Also, military and separatist leaders in Sulu in the southern Philippines agreed yesterday to observe a ceasefire in preparation for the peace talks this month in Jeddah, Saudi Arabia.

The agreement was signed in a schoolhouse in Sulu between the commanding officer of the 2d Marine Brigade and the Sulu revolutionary committee chairman. Other signatories were other military leaders and officers of the MNLF. The agreement was signed in the presence of some 20 marine troops and about 1,000 fully-armed rebels.

In a related development, Libyan Leader Mu'ammr al-Qadhdhafi supports President Corazon Aquino's efforts to resolve conflicts with Muslims in southern Mindanao island, the palace quoted Libyan Ambassador (Salam Adem) as telling Mrs Aquino yesterday. Mr (Adem) passed along the message during a 15-minute visit to the Malacanang presidential palace guesthouse in Manila.

#### Al-Qadhdhafi Sends Message

HK090900 Quezon City Radyo ng Bayan in Tagalog 0800 GMT 9 Aug 86

[Text] Libyan leader Mu'ammr al-Qadhdhafi expressed his support to President Corazon Aquino's efforts to restore peace in Mindanao. This message was conveyed to President Aquino when Libyan Ambassador [name indistinct] called on her at Malacanang. The president, on her part, expressed her gratitude and joy over al-Qadhdhafi's support. Speaking to newsmen after the meeting, the Libyan ambassador stated that al-Qadhdhafi will take part in the Islamic Conference in order to help settle the Philippine Government's problem. Deputy Foreign Minister Mamintal Tamano added that in this connection, MNLF leader Nur Misuari is ready to return to the Philippines anytime and hold talks with the Aquino government on solution of the Mindanao problems.

#### COMMUNIST NEGOTIATOR GIVEN SAFE-CONDUCT

HK100439 Hong Kong AFP in English 0402 GMT 10 Aug 86

[Excerpts] Manila, Aug 10 (AFP) -- The Philippine armed forces said Sunday they had issued a safe-conduct pass to a woman insurgent leader who will act as the third member of a communist panel now holding peace talks with the government. Carolina Malay-Ocampo and her personal security escorts have been granted freedom of movement, the same privilege given to her husband Saturnino Ocampo, and the third negotiator, Antonio Zumel, a military press statement said. The panel representing the communist-led National Democratic Front (NDF) is scheduled to meet for the second time later this week with a government panel composed of Agriculture Minister Ramon Mitra and chief government auditor Teofisto Guingona.

The passes guarantee the safety of the communist negotiators and are valid for 30 days, but do not authorize the bearers to carry firearms, Armed Forces Chief General Fidel Ramos said in the statement. He ordered the information disseminated to the 250,000-strong armed forces. [passage omitted]

Meanwhile, the church-backed human rights group Ecumenical Movement for Justice and Peace (EMJP) has proposed the creation of an independent body to serve as the third party and mediator in the current talks. The open proposal, drafted Saturday, calls for an independent body acceptable to both the government and the communists, EMJP spokesmen told AGENCE FRANCE-PRESSE. The third party should also be granted the power to determine and act on the culpability for violations by any group of the agreements to be reached in the talks, the proposal said.



**Safe Conduct Guidelines Rejected**

HK111034 Hong Kong AFP in English 1003 GMT 11 Aug 86

[Text] Manila, Aug 11 (AFP) — Communist rebel negotiators Monday rejected military guidelines governing their movements to and from the site of planned peace talks with Philippine Government representatives. The rejection was contained in a typewritten statement signed by two negotiators of the communist-led National Democratic Front (NDF) and delivered by couriers to news agencies here a day after the guidelines were announced.

The guidelines, laid down by Armed Forces chief General Fidel Ramos, guaranteed "safe conduct" for a 30-day period for the rebel panel and their bodyguards but barred them from carrying firearms. Government negotiators could not be immediately reached for comment. Presidential palace and Armed Forces spokesmen had no immediate reaction, saying they had no direct information on the NDF rejection. President Corason Aquino has called for talks with the NDF in a bid to bring an end to a 17-year-old communist insurgency.

**COMMUNIST PRECONDITIONS FOR PEACE TALKS REJECTED**

HK090150 Manila Far East Broadcasting Company in English 2300 GMT 8 Aug 86

[Text] The government yesterday rejected the communist demands for a coalition government and the ouster of Defense Minister Juan Ponce Enrile as preconditions to peace and reconciliation. The government's position is that the cease-fire dialogue, which will officially start soon, must be something of mutual benefit, and as such, both sides should not impose ridiculous preconditions. These were discussed in a meeting with newsmen at the presidential palace by ranking government officials. The government's position was clarified by Deputy Executive Secretary Fulgencio Factoran, Jr. Also present at the press conference were Executive Secretary Joker Arroyo, Presidential Spokesman Rene Saguisag, and outgoing Information Minister Teodoro Locsin, Jr.

Factoran said the Communist Party of the Philippines and its military arm, the New People's Army, are not entitled to impose any conditions. He said the possibility of a coalition government with the communist rebels is a far-fetched reality. He said the communists must submit to elections if they want to have a part in the government.

**REBELS REJECT LAYING DOWN ARMS AS TRUCE CONDITION**

HK081513 Quezon City BUSINESS DAY in English 8 Aug 86 p 15

[Excerpt] The communists will never agree to lay down their arms as a precondition to a ceasefire with the government, a ranking rebel leader told the PHILIPPINES NEWS AGENCY yesterday. Identifying himself only as Ka Bien, he said their arms are their only defense against "the reactionaries of the state." "We all recognized that laying down our arms could catch us off guard and deprive us of our only defense against the reactionaries of the state," he said. Another reason, he said, is the military.

"We view the peace talks as a positive step toward peace, but we are doubting if the military will abide by whatever is agreed upon by the Aquino government and the rebel emissaries," he told the PNA in an interview.



Until now, he added, the rebels still hold some doubts about the sincerity of the military, saying "it could pose a barrier to the yet to be started ceasefire." The ceasefire has been called by President Corazon C. Aquino to end the 17-year-old communist insurgency problem in the country. [passage omitted]

#### MILITARY ORDERS CEASE-FIRE IN MISAMIS ORIENTAL

HK081551 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 8 Aug 86 p 2

[By Proc Maslog]

[Text] Cagayan de Oro City -- Military authorities have ordered a stop to all military operations in Misamis Oriental to allow civilian authorities to hold peace talks with the rebel leaders.

The ceasefire, which took effect Wednesday, was ordered by Brig. Gen. Mariano Adalem, RUC [regional unified command] -10 chief, on a request by Gov. Vicente Emano, who left Thursday with church officials for an undisclosed place to talk with top leaders of the New People's Army.

The ceasefire order covers army troopers of the 33rd infantry battalion under Lt. Col. Cesar Ilano, the 9th infantry battalion under Maj Rogelio Navarro, and other units involved in anti-insurgency operation.

Sources said Commander George Madlos, a ranking member of NPA's Komisyon Mindanao and Commander Nido Nabong, chairman of the North Central Regional Party committee, will represent the rebels.

Last April, Emano convinced rebel leaders to a three month ceasefire, which ended last June. The peace pact, the only province-wide ceasefire agreement, was signed by the rebel leaders, church authorities, and civilian and military authorities.

#### AQUINO MAY SETTLE SEPARATIST PROBLEMS FIRST

HK080313 Quezon City BUSINESS DAY in English 7 Aug 86 p 18

[By reporter Abrino Aydinano]

[Text] President Corazon C. Aquino may settle the Cordillera and Mindanao problems first before striking any deal with the insurgent Communist Party of the Philippines (CPP), according to confidential information reaching BUSINESS DAY.

Talks with the CPP emissaries started Tuesday, but talks with the Cordillera leaders are on advanced stages.

A date has been set when President Aquino and her panel sits down with Roman Catholic priest Conrado Balweg and other leaders of the Cordillera People's Liberation Army [PLA]. The CPLA is fighting for the concept of a Cordillera state within a Federal Republic of the Philippines.

Meanwhile, Agapito "Butz" Aquino is scheduled to leave for Jeddah to talk to Nur Misuari of the Moro National Liberation Front.

The government's military establishment, through Defense Minister Juan Ponce Enrile and leaders of the influential reform movement within the New Armed Forces of the Philippines, has expressed support for Cordillera autonomy.

Government officials also are optimistic about the Aquino government's chance to end the war with the Moro National Liberation Front. Basic demands range from simple autonomy to complete independence for the Bangsa Moro (Moro Nation) consisting in the MNLF's view not only of the Muslim but also of non-Muslim tribes in the Mindanao mainland, the Sulu, Basilan, Tawitawi and Palawan archipelagos.

Both the government and MNLF believe the key to a political settlement of the Mindanao conflict lies in the implementation of the Tripoli Agreement worked out in 1976 by the former government of Ferdinand Marcos with the Muslim rebels under the auspices of MNLF-backer Libya.

Under the Tripoli Agreement, the Muslims would enjoy self government, would set up their own legislature and judiciary, would have their own economic and financial system and would maintain their own regional security forces. The area of autonomy would cover 13 present Mindanao provinces, including Sulu, Basilan, Tawitawi and Palawan.

Considering that even the power-conscious Marcos had to come to terms with the Muslims' demand for autonomy, analysts believe the minority communities should be able to expect more sympathy and justice from President Aquino with her "sharp moral sense" and "democratic instinct."

The analysts also point out that the President's late husband, towards whose political mind Aquino does not hide an attitude akin to reverence, gave a written commitment on behalf of the then opposition to respect the Tripoli Agreement.

In his written statement which the late senator intended to read on arrival from foreign exile when he was gunned down at the Manila International Airport, he gave explicit support for the struggle of the Muslims and the Igorots.

Moreover, both the major ruling parties, United Nationalist Democratic Organization and Pilipino Democratic party Laban ng Bayan, undertook in party resolutions to support the implementation of the Tripoli Agreement once they come to power.

It is significant that the talks with the CPLA which President Aquino's brother-in-law Agapito has been conducting is coming across to the public as the personal initiative of the president.

Although the moves the government has been taking towards the MNLF are under wraps, there are indications that members of the AFP reform movement loyal to Mrs Aquino have opened "friendly" communication with the Muslim rebel leadership.

The president's game plan would build up political pressure on the CPP which can scarcely influence the outcome of the government negotiations with the CPLA and MNLF.

The CPP would be put in a dilemma of deciding whether to sit by while the political control of territories where it also operates are delivered to unfriendly forces or to come across as opponent of the Igorots' and Muslims' autonomy.



ENRILE TO JOIN AQUINO PARTY ON U.S. TRIP

HK081200 Quezon City ANG PAHAYAGANG MALAYA in English 1 Aug 86 p 1, 7

[By Staff Member Joel Paredes]

[Excerpt] Defense Minister Juan Ponce Enrile will join President Aquino's official party on her Sept 15 working visit to the United States, the Palace said yesterday.

Information Minister Teodoro Locsin, Jr. said the President wants an official party of 7 to 10 Cabinet ministers, one of them the defense minister.

Locsin said that apart from him and Enrile, the other officials in the President's group include Presidential Spokesman Rene Saguisag, Finance Minister Jaime Ongpin and Central Bank Gov. Jose Fernandez.

The Palace said some ministers and other government officials may be part of the "accompanying" party that would back up the President's group.

Locsin also confirmed Mrs Aquino and U.S. President Ronald Reagan will meet on Sept 17 in Washington where she is also scheduled to address the U.S. Congress.

The information minister said that more than any other goal, the President wanted "to get the support of the American people."

Meanwhile, Saguisag said they were looking into the possibility of including stopovers in Los Angeles and Chicago in the President's 8-day U.S. trip visit because of the large Filipino communities in those areas.

In her original schedule, the President included official working visits to Boston, New York and San Francisco.

Saguisag said Mrs Aquino will be speaking before Harvard University in Boston where she has "fond memories," having lived in that city with her husband Benigno during their three-year self-exile.

It was also learned that Mrs Aquino had already turned down a doctorate degree a well-known university in the United States is to confer on her because of her tight schedule.

Saguisag said an advance team from the President's party is leaving August 14 for a "walkthrough" on Mrs Aquino's visit.

Although, the government was not ruling out the possibility of anti-government rallies, Saguisag said they have received word the President will get a "tremendous" welcome from the American and Filipino communities.



LAUREL THREATENS TO REPLACE MINISTERS

HK110515 Manila MANILA BULLETIN in English 9 Aug 86 pp 1, 7

[By Olaf Giron]

[Text] Vice President Salvador H. Laurel threatened yesterday to replace "all undesirable Cabinet ministers" during President Aquino's visit to the United States next month when he assumes the presidency in an acting capacity.

"After the President authorizes me, I will right all the unrightable wrongs that had been committed by this administration," Laurel told a press conference at the Cebu City Sports Country Club.

"But I do not want to do anything which the President will reverse when she comes back because then it will be useless," he added.

Laurel said he has cancelled his trip to the United Nations in New York scheduled in September because the President asked him to act as caretaker in her absence.

The apparent target of Laurel's threat was Local Government Minister Aquilino Pimentel with whom he has had differences of opinion on appointments of local officials.

The Vice President, concurrently foreign affairs minister, said he will "untangle the crisis created by the designation of officers-in-charge because it has caused so much controversy that it has distracted the Filipinos from the more urgent task of fighting the insurgents and rebuilding the economy."

Another possible target was executive Secretary Joker Arroyo who reportedly was responsible for the abolition of the prime minister's office to which Laurel had been appointed.

The appointment of Laurel as acting president took on a curious twist since traditionally it was the executive secretary who was named "Little President" in the absence of the President.

Meeting with local officials, in particular members of the Cebu chapter of the UNIDO [United Nationalist Democratic Organization], the Vice president appealed to them to set aside party rivalry and concentrate on reunification "to insure the survival of the new government."

He added: "It is more our responsibility to insure the survival of this government because we were the ones who were responsible for installing it. We fought and won against deposed President Marcos last February".

He told the political leaders to wait until after the ratification of the Constitution being drafted by the Constitutional Commission before pursuing election plans since "that's the only time we go into politics."

**Aquino, Laurel Split Viewed**

HK110529 Hong Kong Domestic Service in English 0500 GMT 11 Aug 86

[Text] In the Philippines, signs are appearing of a split in the government of President Corazon Aquino. The dissension was brought to a head with the announcement by Vice President Salvador Laurel that as caretaker during Mrs Aquino's visit to the United States next month, he would reorganize key cabinet posts. From Manila, here's Keith Dalton:

[Begin recording] Mr Laurel's statement that he would replace what he called all undesirable cabinet ministers during Mrs Aquino's 8-day U.S. trip is regarded by many observers here as a surprising political blunder. Although he did not specify which cabinet members he would like to get rid of, newspaper speculation here has centered on three people: Labor Minister Augusto Sanchez, who has won the ire of local foreign businessmen, who blame him for a record number of strikes in the 5 months Mrs Aquino has been in power; another would be Executive Secretary Joker Arroyo, who has been blamed by Mr. Laurel's political party, Unido [United Nationalist Democratic Organization], for lobbying to have Defense Minister Juan Ponce Enrile replaced; and the third could possibly be Local Government Minister Aquilino Pimentel, who has overlooked many Unido officials in his drive to replace governors and mayors appointed by ousted President Marcos.

But Mr Laurel's plans have backfired. Executive Secretary Arroyo very quickly announced tha Mrs Aquino had no intention of relinquishing official duties to Mr Laurel while in the United States. Modern communications facilities, he said, made this unnecessary. Most likely, implementation of Mrs Aquino's orders will be coursed thorough Mr Arroyo's office. This definite clarification has not only embarrassed Mr. Laurel, but he has now accused Mrs Aquino of reneging on an earlier pledge to hand over temporary power to him. [end recording]

**MINISTER CHALLENGES ENRILE TO IDENTIFY COMMUNISTS**

HK110129 Manila Far East Broadcasting Company in English 2300 GMT 10 Aug 86

[Text] Local Governments Minister Aquilino Pimentel yesterday [10 August] dared Defense Minister Juan Ponce Enrile to identify the government officials who are allegedly communists, or with communist leanings. Pimentel hurled the challenge to the defense chief in a press conference in Cagayan de Oro City. His dare was a reaction to te recent charge by Minister Enrile that there are communist officials in the Aquino government, who have infiltrated the administration. Pimentel said it is important for Enrile to reveal all, so the president can be guided in what action to take, considering that she promised not to have any communists in her government.

**5,000 MARCOS FOLLOWERS HOLD 'PRAYER RALLY'**

HK100209 Manila Far East Broadcasting Company in English 0030 GMT 10 Aug 86

[Text] About 5,000 followers of ex-president Ferdinand Marcos sang songs for their ousted leader yesterday during a gathering that organizers called a prayer rally at a suburban Manila park. It was the first rally police did not disperse since president Corazon Aquino banned demonstrations by Marcos loyalists after former Philippine foreign minister Arturo Tolentino proclaimed himself as acting president.



**Pro-Marcos Rally Broken Up**

HK100844 Hong Kong AFP in English 0830 GMT 10 Aug 86

[Text] Manila, Aug 10 (AFP) -- A woman demonstrator was hit by a speeding public vehicle when riot police broke up an illegal rally by hundreds of supporters of deposed President Ferdinand Marcos here Sunday. Some 100 policemen armed with clubs charged at some 500 pro-Marcos demonstrators gathered in front of the central post office. The demonstrators flashed the victory sign and chanted "Marcos still" when the police gave them five minutes to disperse.

Mercedes Serrano, [word indistinct] suffered slight injuries when she was hit by a jeep while running with several companions along a bridge at the back of the post office, hospital sources said. Eyewitnesses said she was wearing red, the Marcos supporters' color.

President Corazon Aquino banned all pro-Marcos rallies after an abortive coup d'etat by Marcos supporters July 6. The demonstrators, many in red clothing and waving miniature Philippine flags, gathered at the edges of a public square in front of the post office because policemen were guarding the square to prevent the rally. There were no immediate reports of arrests.

Meanwhile, police said they will file murder charges against two more Marcos backers suspected of involvement in the fatal beating of an Aquino supporter at Rizal park last month. Nilo Pacadar was arrested in front of the post office Sunday some two hours before the pro-Marcos rally was forcibly broken up, police investigators told AGENCE FRANCE-PRESSE. Both Mr. Pacadar and Romeo Sison, who was arrested Saturday, admitted that they were at the park when 23-year-old Stephen Salcedo was beaten to death by a mob July 27, but denied taking part in the attack, they added. The two, together with two other suspects previously charged in connection with the beating, are being detained without bail.

**MILITARY PROPOSES 'DEATH SQUADS' TO COUNTER NPA**

OW100628 Tokyo KYODO in English 0609 GMT 10 Aug 86

[Text] Manila, Aug 10 KYODO -- Military and police personnel have proposed the creation of "death squads" to counter urban guerrilla operations of the communist-led New People's Army in Cebu City, central Philippines, the PHILIPPINE NEWS AGENCY reported Saturday. It said the proposal was made during a secret conference held by a group of military and police personnel following the killing Friday of two soldiers and a policeman by a five-man NPA liquidation squad. The three troopers were gunned down by the NPA squad while securing the route to be taken by Vice President Salvador Laurel who was on his way to a meeting with local political leaders in Minglanilla, 10 miles south of Cebu City.

According to the state-run agency, the death squad would be given authority to track down and kill all communists "in the same way they have allegedly eliminated agents of the law and innocent civilians." The PNA said the plan includes the "elimination of 'self-proclaimed' human rights advocates" whom the group said were behind the killing of at least 20 military and police personnel in the last few months. The plan, however, was vetoed by the local regional military commander, Col. Edgardo Arenina, who said it would be wrong for the lawmen "to take the law into their hands."



MILITARY REPORTS MOVEMENT OF NPA FORCES

HK081557 Manila THE NEWS HERALD in English 8 Aug 86 pp 1, 6

[Text] The New People's Army, military arm of the Communist Party of the Philippines [CPP], has reportedly shifted its forces in Southern Tagalog in an apparent attempt to make the region a staging ground in preparation for the encirclement of Metro Manila, seat of the national government.

The massing of dissident forces in Southern Tagalog, according to a recently declassified intelligence report, is due to the continuing military pressure on the NPA in the Bicol and Central Luzon regions.

Gen. Fidel V. Ramos, armed forces chief of staff, who visited Camp Nakan in Lucena City the other day, was told by military commanders in the area that the NPA has taken "paramount interest in destabilizing security conditions in the Southern Tagalog region, being the gateway to the national government."

In a command briefing, Ramos was also told that lately, the NPAs concentrated their activities in Eastern Quezon, Bondoc Peninsula, Mt Banahaw, the triangular border of Batangas, Laguna and Quezon provinces, and the island of Mindoro.

The field commanders also briefed Ramos that armed urban partisans have been particularly active in the cities of San Pablo and Lucena.

Southern Tagalog military authorities also disclosed that there are 560 armed regulars operating in the whole region with a complement of 1,480 subversive mass activities and 71,200 mass base.

The rebels acquired their weapons through raids of military and police detachments, and "agaw armas" [arms-grabbing] operations.

Ramos was also told that as of July 31, there were 250 CPP/NPA affected barangay, 51 influenced, and 199 infiltrated. However, 492 other barangay are said to be threatened by dissident operations in the region.

Orchestrating all these insurgency-related activities is Sotero Llamas, alias commander Nognog, former head of the Bicol Regional Party Committee. Llamas was reportedly elevated to the Central Party Committee of the CPP/NPA and is now head of the Southern Luzon Commission.

REPORT CLAIMS REBEL INFILTRATION OF MILITARY

HK081505 Quezon City BUSINESS DAY in English 8 Aug 86 p 16

[Text] Communist guerillas are infiltrating the Defense Ministry and the Armed Forces, a military report said.

In a report to AFP [Armed Forces of the Philippines] chief Gen. Fidel Ramos, Regional Unified Command (Ruc) 4 chief, Brig Gen. Restituto Padilla said the primary target of infiltration are groups within the armed forces, specifically the so-called "El Diablo" which was recently renamed "Guardians."

The guardians were a dominant military split group which participated in the aborted Manila Hotel coup led by former foreign affairs minister Arturo Tolentino.

Padilla's report did not contain other details on the plot to infiltrate the defense ministry and the AFP.

In the same report, Padilla said the New People's Army (NPA) is backing the transfer of full control of police forces to town and city mayors. Such a transfer, he said, would weaken the military's counter-insurgency posture, because the police act as military's so-called "frontliners" in the anti-communist campaign.

The move will also divide the loyalties of the police between their anti-communist mission and the mayor's instructions.

The Aquino government has recently laid down the groundwork for the return of full police control to the mayors. The move will in effect dismantle the centralized command of the AFP through the Integrated National Police (INP).

Padilla added that the rebels are protectors of illegal gambling in the Southern Luzon area to derive money from such operations for its 17-year campaign against the government.

Aside from protecting gambling operation, the NPA is also engaged in extortion, victimizing businessmen, beverage firms and bus companies, Padilla said.

Failure to pay the "taxes," Padilla said would mean harassment from the NPA such as hijacking of buses and burning of factories.

Padilla also said the rebels have geared for the intensification of their intelligence networks in preparation for mass recruitment operations and its normal anti-military operations, namely surprise attacks, on isolated AFP detachments and "Agaw-Armas" [arms-grabbing] operations.

#### U.S. BASES' CLOSURE COULD MEAN P1 BILLION TAX LOSS

HK081555 Manila MANILA BULLETIN in English 8 Aug 86 p 5

[By Jun Ramirez]

[Excerpt] The national and the Pampanga and Zambales local governments stand to lose more than P1 billion in tax payments annually if the two American bases are closed down.

This was the initial assessment by the Bureau of Internal Revenue (BIR) yesterday based on a tentative report submitted by lawyer Fortunato Aguas, revenue regional director for Central Luzon.

The report said the BIR collected last year some P400 million in international revenue taxes from service and commercial firms which depend their survival on Clark Air Base in Pampanga and Subic Naval Base in Zambales.

It said another P90 million in withholding taxes from the payroll of some 34,000 Filipinos employed inside the bases were remitted last year.

The amount, the report said, could easily exceed the P1-billion mark if customs duties and payments to the local governments were included.

The BIR regional office based in San Fernando, Pampanga, is among the biggest contributor to the annual tax collection of the bureau.

For this year, the region was asked to raise P675 million, which is roughly 50 percent over 1985.

Aguas expressed optimism that the collection assignment could be attained as the first six months take of the year exceeded the target for the period by P50 million.  
[passage omitted]

#### WORLD BANK AGREES TO IMPORT LIBERALIZATION DELAY

HK071545 Manila MANILA BULLETIN in English 7 Aug 86 p 13

[Text0 The World Bank has agreed to postpone the lifting of import controls on 383 remaining sensitive items until May 1, 1988 at the latest.

In an aide memoire submitted to Finance Minister Jaime V. Ongpin, Norman L. Hicks, head of the World Bank Economic Recovery Loan Appraisal Mission, said that every effort, however, should be made to limit extension to one year from the original schedule.

Hicks told Ongpin that the World Bank is pleased by the liberalization of 849 items out of the 1,232 items scheduled to be liberalized.

The complete lifting of import controls on the 1,232 items is one of the conditions imposed by the World Bank on a \$300 million economic recovery loan and by the International Monetary Fund (IMF) on a financial package amounting to \$504 million.

So far, some 383 items remain to be liberalized. Of this, 137 items were supposed to be liberalized last April 30, 169 are scheduled for liberalization on Dec 31, 1986 and another 77 items on June 30, 1987.

The cabinet, however, has deferred action on the 137 items until Oct 30, this year and on the other items. A final determination will be made by Dec 31, 1986.

These remaining items are now being thoroughly reviewed by the government in view of strong opposition from affected local industries.

These remaining items which are considered sensitive include 43 raw materials used in the manufacture of basic iron and steel products, 71 intermediate and capital goods used in the production of paper and paperboard, 31 high-tariff consumer goods, 149 raw materials used by local textile mills and 35 non-essential items.



AQUINO GIVES SPEECH AT CONSTABULARY RITES

HK080555 Quezon City Radyo Ng Bayan in English 0330 GMT 8 Aug 86

[Speech by Philippine President Corazon Aquino during Philippine Constabulary--Integrated National Police rites at Camp Aguinaldo in Manila -- live, monitored in progress]

[Text] .... This was Marcos' big mistakes. [passage indistinct] I do not think Marcos has realized that you cannot be a real commander-in-chief of the Armed Forces without also being the president of your people. His battalions finally realized this. They did not turn their guns on him. Instead, they joined the Filipino people in turning their backs to him. [passage indistinct] that is why he keeps wasting our money, calling here long distance. He has not learned that you must first be the president of the people before you can presume to call yourself the commander of their Armed Forces. He never learned that real power cannot be counted on the fingers of your hand even [words indistinct] by battalions or services, for true power derives from the multitudes and the people.. [words indistinct] that there is only people power if you are talking about real power, I have long known. My whole campaign was [words indistinct] to bring them over to the cause of their liberation. It is a lesson that I know you have learned here at EDSA [Epifanio Delos Santos Avenue]: That with the people there is nothing you cannot accomplish, whether it is governing the country as president or bringing security to the people as soldiers and police.

The importance I place on drawing upon the power and the blessings of the people makes my jobs a little more complicated and, some complain, tedious. If it's tedious for them, it has only been enriching for me. The pains I take to consult the people are more than offset by the confidence I have in the decisions I finally take. I note with great satisfaction that we have been charting the same course in a (?personal conversation) in drawing up these strategies. No one can know better than the people what they need protection from, and what kind of protection will improve, rather than aggravate, the security of their communities.

Open yourselves to what the people have to say, enlist their support and not just their tolerance of your presence. I address these matters to you because, of all the elements of the Armed Forces, you, the constabulary and the police forces, have been specially charged and trained to maintain peace and order in our communities. You are shaped to design your instruments for peace-keeping than the regular armed forces [sentences as heard] You are expected not to disrupt but, on the contrary, to preserve the way of life of the communities placed in your hands. For this reason, interaction with the communities becomes an integral part of your work. Your mission is essentially preventive, to prevent [words indistinct] from going to a state that will require the intervention of our regular forces.

In the 85 years of its history, the Philippine Constabulary has, by and large, [words indistinct]. They have [words indistinct] the previous government the constabulary to obscure the distinction of its overall performance. Throughout our history, there have been many movements that have sought to rend the fabric of our society. Only recently have any of these movements approached their objectives. The vast majority of these attempts to break up our society have failed, and this is thanks to the work of the constabulary. [applause]

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